

DAILY REPORT

China

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YAO YILIN TO ADDRESS UNCTAD CONFERENCE

OW261247 Beijing XINHUA in English 1112 GMT 26 May 83

[Text] Beijing, May 26 (XINHUA) -- Vice-Premier Yao Yilin is scheduled to attend and address the Sixth Session of the United Nations Conference on Trade and Development (UNCTAD VI) to be held in Belgrade in June.

This was announced by Huang Wenjun, spokesman for the Ministry of Foreign Economic Relations and Trade, at his news briefing here this afternoon.

The Chinese delegation to UNCTAD VI has been formed, he said. The chairman of the delegation is Li Ke, deputy to the minister of foreign economic relations and trade. The vice-chairmen are Peng Guangwei, Chinese ambassador to Yugoslavia; Li Luye, Chinese ambassador to the United Nations organizations in Geneva; and Li Zhimin, deputy director of the Department of International Relations of the Ministry of Foreign Economic Relations and Trade.

"UNCTAD VI is an important event in the field of international economic relations," Huang Wenjun said. "We hope that, in the present difficult world economic situation, the conference will make valuable contributions to the continuous growth of the economies of the developing countries, to the revitalization of the world economy, and to the process of establishing a new international economic order."

WORLD BANK PRESIDENT PRAISES CHINA'S ECONOMY

OW261455 Beijing XINHUA in English 1426 GMT 26 May 83

[Text] Beijing, May 26 (XINHUA) -- Alden Winship Clausen, president of the World Bank, said today in the next fiscal year, the World Bank is expected to commit close to one billion U.S. dollars to China.

Speaking at a press conference in Beijing this afternoon, he explained, "China is a poor nation with a per capita gross national product below 300 U.S. dollars. A lot of things remain to be done and it is desperately in need of concessional loans." In the following years the sum will be larger, he added.

Clausen said that China's economic performance in agriculture and elsewhere over the last few years had been particularly impressive and "China, as it develops, can contribute a great deal to the strengthening of the world economy."

During his talks with Chinese leaders in the past two days, he said, detailed discussions were held on China's progress, perspective and needs in economic development in the days to come. By instituting domestic reforms to improve efficiency, China's national income last year grew by 7.4 percent, in contrast with the gloomy world economic scene where productivity stagnated and trade declined. "We are applauding the Chinese economic performance," he said.

Over the last three years since China resumed her seat in the World Bank, the president said, his bank and China has established a solid and strong relationship. "The purpose of our current visit is to deepen and strengthen that relationship," he stressed.

President Clausen and his party are on a week-long tour in China, in order to get a first-hand overall view of the country and to see for themselves some of the bank-financed projects.

PRC JOINS INDUSTRIAL PROPERTY PROTECTION BODY

OW241403 Beijing XINHUA in English 1104 GMT 24 May 83

[Text] Paris, May 23 (XINHUA) -- China was admitted into the International Association for the Protection of Industrial Property (IAPIP) when the 32nd congress of the association opened here today.

A Chinese delegation headed by Ren Jianxin, president of the Chinese National Group of the IAPIP and vice-chairman of the China Council for the Promotion of International Trade, attended the congress after the IAPIP adopted a resolution admitting China.

Speaking at the congress' opening session today, Ren Jianxin said that China is now actively preparing to establish a patent system with a view to expanding its foreign economic and trade relations, encouraging inventions and achieving modernization in science and technology. The centenary of the Paris Convention for the Protection of Industrial Property will be celebrated during the congress which will end on May 27. The IAPIP was formed to strengthen contacts in the world industrial property circles and promote development of industrial property system.

HONGQI ON DISARMAMENT, STAND TAKEN BY CHINA

HK260713 Beijing HONGQI in Chinese No 9, 1 May 83 pp 37-40

[Article by Si Chu: "The International Struggle Over Disarmament and China's Stand"]

[Text]

I

In recent years, disarmament has become a prominent issue in international politics. Two special sessions of the UN General Assembly specializing in this issue were held in 1978 and 1982. Recently, the U.S.-Soviet struggle over the issue of European missiles has drawn extensive attention from the international community. Disarmament has increasingly become an issue of common interest to all nations and peoples throughout the world.

The reason disarmament is being taken seriously is first because the arms race between the United States and the Soviet Union has become increasingly acute; weapons, especially nuclear weapons, have been increasingly piled up to an extremely dangerous degree, constituting an actual threat against the whole of mankind. According to estimates, the explosive power of all the existing nuclear weapons in the world is equal to that of 20 billion tons of TNT, and more than 95 percent of these nuclear weapons are controlled by the two superpowers -- the United States and the Soviet Union. They have long possessed the power of "overkill" as people usually put it. What is similarly worrying is that the arms race is rapidly developing not only in quantity but also in quality. Accurately guided and remote-controlled weapons, developed on the basis of the latest computer and electronic technology, as well as aircraft, tanks, and cannons with greater and greater fighting power have provided the possibility of a nonnuclear "conventional war" with unprecedentedly huge destructive force. At the same time, new areas are being opened up for the arms race. In recent years, the United States and the Soviet Union have both been actively developing technology and weapons for an outer space war. This represents a prominent new field of the arms race. Such things as laser weapons, particle beam weapons, and space shuttles, which only existed in science fiction in the past, have also been actually produced and tested. With the two superpowers, which possess all these advanced weapons, intensifying the arms race between them, the danger of war is becoming more and more grave. This is why people throughout the world feel anxiety.

Compared with the potential danger of a new world war, the adverse influence of the arms race in the economic field has had a more direct effect on the international community. At present, the total yearly amount of military spending throughout the world is higher than \$600 billion (of which the United States and the Soviet Union account for more than half). In the face of the threats posed by the hegemonists' superarsenals and aggressive and expansionist activities, small and medium-sized countries, especially developing countries, cannot but use their valuable resources to strengthen defense at the expense of their economic development. Even for the superpowers, which have abundant funds, the high military spending is also a heavy burden which may cause economic stagnation, high unemployment, and other evil consequences. In short, all peoples throughout the world are suffering deeply from the arms race.

It is similarly serious that even if a new world war does not occur in the near future, the arms race between the superpowers will still inevitably threaten all nations' security and the stability of the world situation. A characteristic of the contemporary arms race is that it is a direct outcome of the contention for world hegemony between the two superpowers. In order to overwhelm the other side and to win superiority, each of the superpowers is actively carrying out arms expansion and war preparations in both quality and quantity, and their ever-growing military buildup in turn constitutes a basis of strength for them to interfere in and aggress against other nations, to bully and humiliate small nations, to expand their spheres of influence, and to seize strategic places. This is precisely the reason for unceasing local conflicts and wars and restless world situations over many years. Undoubtedly, this is also a factor that may touch off a new world war.

The aggression and expansion by the hegemonists and the fierce arms race and rivalry between the two superpowers have indeed constituted a real and serious threat to world peace. In the final analysis, the issue of disarmament is one that relates to how to prevent wars and how to safeguard peace. It is natural that all peoples throughout the world are paying close attention to it.

At present, on the rostrums of the United Nations, numerous small and medium-sized states and neutral and nonaligned states are strongly demanding an immediate halt to the arms race, with priority being given to nuclear disarmament, so as to lessen the danger of war, especially of nuclear war. At many international conferences, they have proposed that the ultimate aim should be to "carry out all-round and thorough disarmament under effective international supervision." At the same time, massive antinuclear and peace movements have swept across many areas, especially countries in Western Europe and North America, over the past 1 or 2 years. These movements call for opposing nuclear weapons and nuclear wars and for demanding nuclear disarmament. The masses use various methods, such as marching, holding rallies, and blockading military bases, to demonstrate against arms expansion and war preparations. People involved in these demonstrations number from tens of thousands to hundreds of thousands. They have created great influence that brooks no neglect. In various countries and regions, these peace movements are, to different extents, intertwined with the ideological trend toward demanding national independence and opposing foreign domination, with the desire to shake off the economic crisis, with struggles between political parties with different positions, and with various religious activities. The Soviet Union and the United States are also trying to exert influence over the movements. All this has made the situation intricate and complex. But in general, these peace movements reflect the people's just desire for peace and their resentment against wars. Their main efforts are directed at the United States and the Soviet Union, who are speeding up their arms race. These movements are now continuing to develop.

II

All nations in the world, including the United States and the Soviet Union, are discussing disarmament and have put forward various proposals and views on various occasions in debates and negotiations. However, great differences exist in their positions on this issue because of their different political, economic, and military interests, and strategic positions.

The United States, for its part openly advocates arms expansion and war preparations, and asserts that it must try hard to catch up because the Soviet Union has got the upper hand. It tends to rigidly reject and resist the disarmament proposals put forward by Third World nations. The Soviet Union acts in another manner: It does not utter a single word about its actions of arms expansion and war preparations, but makes a great fanfare about its disarmament proposals under frequently changed guises. If a comparison is made between the two, criticisms and denunciations of the United States are more frequently heard than those of the Soviet Union at various UN meetings and in the protests voiced by the peace movements. The Soviet Union and the United States accuse each other of provoking an arms race and charge their opponent with having achieved, or seeking, military superiority. They also carry out some bilateral disarmament negotiations. But they are not interested in any multilateral talks within the scope of the United Nations. If an agreement is to be concluded, they always first make a secret deal between themselves through bilateral talks. Taking a general view of the various activities of Moscow and Washington in the field of disarmament, we may summarize their motives in the following points: 1) Strengthening oneself and weakening the opponent so as to make disarmament serve the purpose of achieving military superiority. This is a top priority. 2) Working out some "rules of the game" because they are both bearing heavy economic burdens caused by arms expansion and war preparations. 3) Maintaining their nuclear predominance over other nations and restraining and prohibiting other nations from developing their own nuclear strength. 4) Assuming a pose of "disarmament" and "negotiations" in order to cope with the strong tides opposing the arms race and also to meet the needs of political and diplomatic struggles. Since this is the real attitude toward disarmament of the two countries who have the biggest nuclear arsenals, no wonder that the result of their talks, which have lasted for many years, is that the more they talk, the fiercer their arms race has become.

As for Third World nations, which constitute the great majority, they regard disarmament as a field of struggle as important as decolonization and economic development. They have put forward many disarmament proposals on various international occasions. They are the main force in the struggle for disarmament. They greatly resent the sustained development of the arms race and the increasing danger of war and strongly demand real disarmament. They hold in general that "all nuclear powers, especially the nations which have the most important nuclear arsenals, should bear special responsibility" for nuclear disarmament, and that "the nations which have undertaken the greatest military buildup should bear special responsibility for the process of reducing conventional armaments." Hence, they are aware of the fact that the two superpowers are the chief scourge of the arms race. They realize that the struggle to safeguard peace and to promote disarmament is closely related to the struggle against imperialism, hegemonism, and colonialism, to the struggle to win national independence and to safeguard state sovereignty, and to the struggle to smash the unjust and irrational old international economic order and to establish a new order so as to guarantee the economic independence of developing nations. Although they hold different attitudes and positions toward some specific issues concerning disarmament, their proposals in general are quite realistic and reasonable, and in the main reflect the desire of all peoples throughout the world.

Third World nations have taken an active part in the field of disarmament, and their actions have joined forces with the popular movements for peace and disarmament, thus forming a mighty torrent which is pounding fiercely at the hegemonists who are frenziedly engaged in the arms race.

III

The character of the issue of international disarmament has fundamentally changed. In the 1950's and 1960's, the organizations for negotiating international disarmament were manipulated by the Soviet Union and the United States and negotiations were mainly held between the two major military blocs. With the emergence of the Third World and nonaligned nations, this situation has been fundamentally changed. At present, although the powers pursuing hegemony, are still trying to wrestle with each other in this field and to make dirty deals so as to deceive and even harm other nations, the opposition to the arms race between the superpowers demonstrated by a large number of Third World nations and other small and medium-sized nations has become an important part of the present-day struggle over disarmament. The struggle for disarmament has become a major link in the international antihegemonist struggle as a whole. This fundamental change provides us with a necessary premise for participating in the struggle over disarmament.

Since 1978, our country has taken a part in various major international organizations for arranging and discussing multilateral disarmament and has joined the activities of various international conferences and organizations concerning disarmament. As a permanent member of the UN Security Council and the sole Third World nation which has nuclear weapons, China should of course take an active part in the struggle for disarmament, put forward reasonable proposals for disarmament, and closely cooperate with other Third World nations and nonaligned nations in making joint efforts to stop the arms race between the superpowers and to safeguard world peace.

When we participate in disarmament activities, our basic principle and starting point is to carry out resolutely the foreign policy of independence and self-determination, to oppose hegemonism, and to safeguard world peace.

We hold, on the one hand, that it is impossible to reduce armed forces and dismantle weapons in a thorough way under the condition that imperialism and hegemonism still exist, and this must be fully realized; on the other hand, it should also be realized that the struggle for disarmament waged by people throughout the world will reveal the superpowers' practices of intensifying the arms race and carrying out false disarmament and thus produce great political and moral pressure on them. This is of positive significance in the cause of opposing hegemonism and safeguarding world peace.

Over the past few years, our country has enunciated its principled stand on the disarmament issue on many international occasions. At the second special session of the UN General Assembly on disarmament held last year, our state put forward a proposal on immediately stopping the arms race and carrying out disarmament and declared that arms reduction should follow six basic principles, which are briefly as follows: 1) Efforts for disarmament cannot be separated from the maintenance of international security. They should be integrated with efforts for maintaining world peace and security. 2) States possessing the largest arsenals should take the lead in reducing their armaments. 3) The reduction of conventional armaments should be carried out in conjunction with that of nuclear armaments. 4) All medium-sized and small nations should have the right to take necessary measures for maintaining the necessary defensive strength to guard against aggression and to defend independence.

5) Disarmament agreements should provide for strict and effective measures of international verification. 6) All states are entitled to participate on an equal footing in the deliberations, negotiations, and settlement of disarmament issues. As for measures to implement these principles, China proposes: 1) All nuclear states should reach an agreement on the nonuse of nuclear weapons. Pending this, the nuclear powers should each undertake unconditionally not to use or threaten to use nuclear weapons against nonnuclear states or nuclear-free zones and not to be the first to use nuclear weapons against each other at any time or under any circumstances. 2) The Soviet Union and the United States should cease all nuclear tests, stop the qualitative improvement and manufacture of any kind of nuclear weapons and reduce by 50 percent their existing nuclear arsenals as well as their means of delivery. Thereafter, all nuclear states should undertake to cease all nuclear tests, stop the qualitative improvement and manufacture of nuclear weapons and reduce their respective nuclear weapons and means of delivery in reasonable proportion, according to a procedure to be agreed upon. 3) All states should solemnly undertake not to use conventional forces to commit armed intervention or aggression against or military occupation of any other state. As a first step toward conventional disarmament, all foreign occupation troops must be withdrawn without delay. In the meantime, the Soviet Union and the United States should proceed to reduce substantially their heavy and new-type conventional weapons and equipment, especially those for offensive purposes. After this, the other militarily significant states should join them in reducing their conventional armaments in reasonable proportion, according to a procedure to be agreed upon. 4) Chemical weapons and other weapons of mass destruction should be prohibited.

The above-mentioned principles and measures are strictly based on the realities of the present world, which are: At present, only the two superpowers who have the greatest arsenals are conducting the global arms race; only these two states have the ability to fight a nuclear war, and only they are contending for world hegemony in varied forms by relying on their own military strength. Since states can be classified into large and small and into those with great military strength and those whose armaments are weak and who are being threatened by the strong, should, then, the armaments of the strong be reduced so as to guarantee the security of the weak, or should all states, strong and weak, be required to take action at the same time? In our opinion, it is necessary to determine who should bear major responsibility and take the lead in both nuclear and conventional disarmament. Only the two superpowers should take the lead in action and substantially reduce their nuclear and conventional weapons. Only thus can the danger of war be really lessened and can disarmament really make headway.

As one of the five nuclear states, China is willing to undertake its duty in disarmament. In fact, our government has repeatedly and solemnly announced to the world that China will never be the first to use nuclear weapons against other states at any time or under any circumstances and will not use nuclear weapons against nonnuclear states under any conditions. This pledge has been made unilaterally, and the first measure in the above-mentioned Chinese proposals for disarmament is only designed to demand that other nuclear states undertake the duty that China has long undertaken, so as to pave the way for reaching an agreement on the nonuse of nuclear weapons. China's purpose in developing nuclear weapons is solely to defend itself, to smash nuclear monopoly, and to strive for early realization of all-round prohibition and complete destruction of nuclear weapons. If the two superpowers take the lead in halting testing of, improving, and producing nuclear weapons and in reducing their existing nuclear arsenals by 50 percent, China is willing to join with other nuclear states in ceasing the development and production of nuclear weapons and in further reducing nuclear weapons to the point of complete destruction.

The social system and the fundamental interests of China determine that we will inevitably pursue a policy of peace. Our economic construction can be carried out and the needs of our people can be satisfied only under peaceful circumstances. We do not need a war; rather, we resolutely oppose a new world war. If people throughout the world can really unite to take concerted action and resolutely fight against all hegemonist and expansionist activities, it will be possible to maintain world peace. The people's struggle is a strong motivating force for promoting disarmament and for maintaining world peace. Our task is to comply with the will of the people throughout the world and to strive for real disarmament.

RENMIN RIBAO DENOUNCES REVIVAL OF FASCISM

HK260738 Beijing RENMIN RIBAO in Chinese 25 May 83 p 7

["International Jottings" by Feng Xiong: "They Are Creeping Forward"]

[Text] The farce of the forged diaries of Adolf Hitler which shocked the Western world has ended amid jeers, condemnations, and complaints. However, there are still repercussions. On 21 May, 600 former Nazis secretly met in Hersfeld in West Germany's Hessen State, causing a demonstration by more than 5,000 West German people.

The two incidents occurred not long after the 50th anniversary of Hitler's coming to power. Why?

Probably, those who had racked their brains in forging the 62 books of "diaries" did not do this only for money. Some people of insight have pointed out that the forgers had a far-reaching scheme in mind: Once these "diaries" have been disseminated, the bloodthirsty demon who lived 50 years ago will become a sensible, "innocent person" in the eyes of the new generation, and neo-fascism may be revived in a new guise. Were not the 600 former Nazis in the secret meeting making preparations for this purpose?

However, the people of Germany and other European countries who once fell victim to Hitlerite fascism have always been on the alert. The germs of fascism will not perish on their own. Hiding in the dark, they are creeping forward. An American newspaper says that the biggest obstacle to the revival of fascism is that people are aware of the possibility of its revival. This is a sensible remark.

PRC WELCOMES U.S. JOINT TRADE TALKS RESULTS

OW261145 Beijing XINHUA in English 1116 GMT 26 May 83

[Text] Beijing, May 26 (XINHUA) -- China today welcomed the results of the China-U.S. Joint Trade Commission meeting which ended here yesterday and again urged the United States to take concrete actions to remove obstacles and expand economic and technical cooperation.

Assessing the First Session of the Joint Commission on Commerce and Trade at a news briefing, Huang Wenjun, spokesman for the Ministry of Foreign Economic Relations and Trade, described the meeting as quite successful.

"A frank and sincere atmosphere prevailed throughout the meeting," he added.

Huang Wenjun said there has been rapid progress in Sino-U.S. economic and trade relations and industrial and technical cooperation over the past decade. "It is a good start and there are still big potentials for further development."

The key to future development, he said, "lies in rapid and effective steps the United States will take to remove the man-made obstacles on the road of advance and appropriately resolve the problems in bilateral economic and technical cooperation and trade."

He listed the advances made at the session as follows:

1. The two sides have agreed in principle to hold detailed discussions on the conclusion of a governmental protocol on industrial and technical cooperation.
2. The two sides exchanged drafts for a China-U.S. bilateral agreement on investment protection and agreed to hold substantive discussions in Beijing in early June.
3. The U.S. side agreed to respond as soon as possible to the Chinese draft of China-U.S. maritime agreement so that it can be renewed at an earlier date.
4. China invites American industrialists and businessmen to the International Conference on Technology Transfer in Mechanic and Electronic Industries to be held in Beijing in October this year so as to promote Sino-U.S. trade in technology.
5. The two sides agreed to hold seminars on economic and trade laws in China this year and in the United States next year to increase contacts in this area.
6. The Chinese Ministry of Foreign Economic Relations and Trade and the U.S. Department of Commerce will work together as a centralized window to promote step by step and in a planned way the development of bilateral economic relations and trade as well as industrial and technical cooperation.
7. China agreed in principle to approve the applications of two American banks for establishing offices in China. The appropriate Chinese authorities will give positive consideration to the specifics.
8. China will submit in July this year a list of projects which might involve American companies in order to promote industrial and technical cooperation.

These advances are expected to exert a positive impact on the future expansion of Sino-U.S. economic relations and cooperation, Huang Wenjun said.

China will stick with its goal of modernization and policy of opening to the outside world economically, he said.

China is ready to further economic relations and technical cooperation with all countries including the United States on the basis of equality and mutual benefit and supplying each other's needs, Huang Wenjun emphasized.

"We hope the American side will adopt concrete actions to remove obstacles and create favorable conditions for the further development of those relations and cooperation," he said.

Further Report

HK261334 Beijing ZHONGGUO XINWEN SHE in Chinese 1130 GMT 26 May 83

[By reporter Liu Yusheng: "Huang Wenjun Said That the First Meeting of the Sino-U.S. Joint Commercial and Trade Committee Was Quite Successful" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 26 May (ZHONGGUO XINWEN SHE) -- The spokesman of the Chinese Ministry of Foreign Economic Relations and Trade, Huang Wenjun, asserted in a press conference today that the first meeting of the Sino-U.S. Joint Commercial and Trade Committee was quite successful.

He said the progression of the talks shows that the two countries have made great progress in improving the bilateral economic and trade relations and in strengthening the industrial and technological cooperation since 1972, particularly since the establishment of diplomatic ties between China and the United States. This is a good beginning which shows potential for further progress in the future. The key to the problem lies in how promptly and efficiently the United States will remove the artificially imposed obstacles to the development and how it will settle some issues in the fields of bilateral economic and technical cooperation and trade relations, in taking the whole situation into consideration.

He said: The first meeting of the Sino-U.S. Joint Commercial and Trade Committee was held in Beijing from 23 - 25 May. During the interdelegation talks and group discussions, the two parties have discussed some problems within the functions of Chinese foreign economic relations and trade and the U.S. Department of Commerce, including economic and trade relations, industrial cooperation, transfer of the ownership of technology patents, direct investment, import and export trade, economic and trade ordinances, trading transportation, promotion of trade, and so on. The two parties have elaborated on their own views and made proposals. This meeting has attained achievements in eight aspects, which may have a positive influence on the development of economic and trade relations and industrial and technological cooperation between China and the United States.

China is determined to realize its magnificent goal of four modernizations, Huang Wenjun said. Therefore, China is steadfast in upholding its open-door policy in handling external economic relations. We will further develop our economic and trade relations and industrial and technological cooperation with all countries, including the United States, based on the principle of equality and mutual benefit and helping supply each other's needs. But, this goal can only be smoothly attained on the condition that the relations between the two countries are healthily developed. We will make a constructive effort for this. And we hope the United States will take real action to remove obstacles and create favorable conditions to facilitate the further development of economic and trade relations and industrial and technological cooperation between the two countries.

REAGAN STRESSES NEED FOR EUROMISSILES

OW270310 Beijing XINHUA in English 0249 GMT 27 May 83

[Text] Washington, May 26 (XINHUA) -- U.S. President Ronald Reagan said today that he would be willing to meet Soviet leader Yuriy Andropov if they could resolve certain "legitimate" issues, but simply to get acquainted "makes no sense."

Reagan also stressed during an interview with six European journalists that the United States and its allies should deploy the cruise missiles and Pershing II missiles in Europe as scheduled by NATO late this year.

Reagan pointed out that the Soviet intermediate nuclear forces have got over 1,300 warheads targeted on Europe.

The Soviets "have pinned their hopes on preventing our deployment," he said. "I think once they see that we and our allies are determined to go forward with the deployment of these weapons, then I think they might meet us in legitimate negotiations."

Reagan said that there was a misperception that the United States were interested in some kind of a trade war with the Soviet Union, but "we're not at all."

"What we are concerned about is Soviet expansionism, and particularly when it comes into the Western Hemisphere," he said.

President Reagan said that in recent ministerial meetings, there has been a general agreement among the United States and its allies "about the need not to trade in high technology which aids the Soviet Union militarily, not to give low interest, long-term credit for their buying."

REAGAN REAFFIRMS MISSILES DEPLOYMENT IN EUROPE

HK270846 Beijing RINMIN RIBAO in Chinese 27 May 83 p 7

[Report: "Reagan Says the United States Will Deploy Guided Missiles in Europe Even If It Has To Face Risks"]

[Text] As reported, President Reagan confirmed that even if the Soviet Union adopted the retaliatory policy of "launch on tactical warning," the United States would carry on its plan of deploying medium-range guided nuclear missiles in Europe.

Reagan made the above statement on 19 May comment made by Aleksandrov, president of the USSR Academy of Sciences, on 17 May that the Soviet Union would adopt the policy of "automatic retaliation" if the United States deployed medium-range guided missiles in Europe by the end of this year.

The reporter also asked the President whether he knew how to react if the Soviet Union adopted the said policy. "Yes, I do. But I think I should say nothing more," Reagan said.

However, the President also said: "If we, when sitting here, have made sure that they (the Russians) already pressed the button and the Soviet missiles are moving toward us, the question will be whether we should just stay here waiting for the missiles to hit the targets or launch our own missiles to hit the invading missiles, since each side's targets are the other side's missiles."

U.S. SENATE APPROVES MX MISSILE DEVELOPMENT

OW261011 Beijing XINHUA in English 0836 GMT 26 May 83

[Text] Washington, May 25 (XINHUA) -- The U.S. Senate today approved a resolution releasing 625 million dollars for development and flight-testing of the MX -- a new intercontinental ballistic missile.

The resolution had been sent back to the House for final approval. The House voted for a similar resolution yesterday.

This has brought the controversy over this costly weapon to an end for the time being.

Congress withheld the funding last December because Reagan's "dense pack" basing plan was considered vulnerable to Soviet missile attacks.

To win congressional support, a bipartisan presidential commission proposed in a report last April that 100 MX be deployed in existing silos to meet "immediate needs" while developing many more single-warhead small ICBMs to deter a Soviet first strike.

President Reagan has lobbied hard for the plan and one of the promises he made to the opponents of the plan was that he would be genuinely committed to nuclear arms control negotiations with the Soviets.

NPC VICE CHAIRMAN XU DEHENG MEETS U.S. SCHOLAR

OW261211 Beijing XINHUA in English 1109 GMT 26 May 83

[Text] Beijing, May 26 (XINHUA) -- Xu Deheng, vice-chairman of the National People's Congress Standing Committee, met here this morning with Vera Schwarcz, American student of the development of contemporary Chinese cultural concepts.

Xu Deheng is one of the two survivors of the 1919 May 4th Movement participants who were put into prison. He briefed the guest on the movement and the development of China's new culture.

Present on the occasion were Pan Shu, Standing Committee member of the Chinese People's Political Consultative Conference National Committee and vice-chairman of the Central Committee of the Jiusan (September 3) Society, and Feng Mu, vice-chairman of the Chinese Writers' Association. Pan Shu is the other survivor of the May 4th Movement.

RENMIN RIBAO NOTES MOSCOW'S AFGHAN BROADCASTS

HK270810 Beijing RENMIN RIBAO in Chinese 26 May 83 p 7

[Report: "Radio Moscow's Three Abnormal Broadcasts, Repeatedly Saying 'Afghan People Are Counterattacking Soviet Occupiers'"]

[Text] According to reports from foreign news agencies, in the three news bulletins broadcast at 1100, 1200, and 1300 GMT on 23 May, the announcer of Radio Moscow switched around the usual Soviet wording for covering the Afghan war and effectively branded Soviet troops as the aggressors. In the first two bulletins, he said: "The people of Afghanistan play an increasing role in defending the country's territory against the Soviet occupants." He said that a meeting of tribal elders had declared that "the activities carried out from Soviet territory endanger the security of the Afghan people."

In the third bulletin the announcer changed the wording. He said that the Afghan population was playing an increasing role in defending the country "against bands infiltrated from the Soviet Union." He continued: "Reports in Kabul say that tribes living in the eastern provinces of Nangahar and Paktia have joined in the struggle against the Soviet invaders."

In the closing news summary, the announcer summarized the news item by saying the Afghan population was taking an "increasingly active part in action against the Soviet forces." The three bulletins broadcast by Radio Moscow surprised and perplexed Western diplomats. They said that it did not appear to be a slip of the tongue because the announcer used the exact same wording in two bulletins broadcast at 1100 and 1200 GMT. Some Western diplomats said they viewed the bulletins as the first deliberate act in protest of the Kremlin's Afghan policy. On 24 May, a spokesman for Radio Moscow gave an explanation to the incident and blamed it as a mistake of a news announcer.

DANISH PREMIER REFUTES PRAVDA ON SUBMARINE ISSUE

OW251441 Beijing XINHUA in English 1334 GMT 25 May 83

[Text] Beijing, May 25 (XINHUA) -- The Soviet submarine intrusion into Swedish waters was "a gross and cynical interference in the neutrality of Sweden," Danish Prime Minister Poul Schluter said at a press conference in Copenhagen yesterday.

Schluter said he insisted in his views although the Soviet newspaper PRAVDA had criticized him two days before. It was reported that the Soviet newspaper had accused Schluter of joining the Scandinavian and Western press in an "anti-Soviet hullabaloo" about submarine intrusion.

The intrusion of Soviet submarines into the territorial waters of Scandinavian states was against world peace and detente, Schluter said. Although the Kremlin denied that any Soviet submarine had entered other country's waters, he said, they should know that "we believe the information we have learned from Sweden and Norway." He rejected PRAVDA's claim that the intrusion was a "myth." Schluter also said that it was their right and responsibility to comment on the Soviet attitude toward any Scandinavian country.

Danish Defense Minister Hans Engel told a Parliament committee the same day that the Danish Chiefs of Defense Staff were investigating ways to improve the anti-submarine capability of the Danish Navy. He said that Denmark maintains high vigilance against the activities of foreign submarines in the Danish straits.

HU YAOBANG MEETS DPRK CULTURAL DELEGATION

OW270923 Beijing XINHUA in English 0746 GMT 27 May 83

[Text] Beijing, May 27 (XINHUA) -- Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, this morning met and had a cordial and friendly conversation with the Korean Government cultural delegation.

It is led by Yi Chang-son, minister of culture and art, with O Mun-han, vice-chairman of the Committee for Foreign Cultural Relations, as its deputy leader.

During the meeting, which took place at Zhongnanhai, delegation leader Yi Chang-son mentioned a new Korean feature film about a former Chinese people's volunteer who died to save a Korean boy from getting drowned. At this, Hu Yaobang said that he favored effort of Chinese and Korean writers and artists to present in their works the common struggle of the two countries over the past decades. He stressed that Korea's success was primarily the result of the Korean people's own hard struggle.

He hoped that Chinese writers and artists will create more works about Korean comrades and friends from other lands who laid down their lives for the Chinese people's revolution.

Hu Yaobang noted that the proletarian cause is international in character while taking a national form. This is the dialectics of Marxist theory on culture and art, he added. Present on the occasion were Zhu Muzhi and Lu Zhixian, minister and vice-minister of culture. Chon Myong-su, Korean ambassador to China, was also present.

ZHU MUZHI AT DPRK ENVOY'S FETE FOR CULTURAL GROUP

OW261728 Beijing XINHUA in English 1640 GMT 26 May 83

[Text] Beijing, May 26 (XINHUA) -- Chon Myong-su, ambassador of the Democratic People's Republic of Korea to China, gave a banquet at the embassy this evening on the occasion of the visit to China by the Korean Government cultural delegation with Yi Chang-son, minister of culture and art as its leader.

Attending the banquet were Zhu Muzhi, minister, Zhou Weizhi and Lu Zhixian, vice-ministers, of culture; and Liu Shuqing, assistant foreign minister.

In his speech, Yi Chang-son expressed his thanks for the warm welcome and reception the delegation received at various places. He invited a Chinese Government cultural delegation to visit Korea.

Zhu Muzhi said that the delegation's visit had made contributions to deepening the friendship between the peoples of China and Korea, and promoting cultural exchange and cooperation of the two countries. He hoped that cultural exchanges and friendly cooperation between the two countries would be further strengthened. Since its arrival in China on May 13, the delegation had toured Beijing, Chengdu and Kunming to visit cultural undertakings and historical places of interests, and attend cultural performances.

TRADE UNIONS' WANG CHONGLUM HOSTS DPRK GROUP

SK270409 Beijing in Korean to Korea 1100 GMT 19 May 83

[Text] On the afternoon of 18 May, Comrade Wang Chonglum, vice chairman of All-China Federation of Trade Unions, met and hosted a banquet for the delegation of the General Federation of Trade Unions of Korea [GFTUK] led by Comrade Kim Kuk-sam, vice chairman of the GFTUK.

At the banquet, which was held in an atmosphere of warm friendship, the representatives of the two countries, both appreciating the warm friendship and great unity between the people and workers of China and Korea, called for further strengthening and developing of friendship and cooperation between the workers and trade unions of China and Korea. Invited to the banquet was Comrade An Chi-u, councilor of the DPRK Embassy in our country. After receiving an invitation, the delegation arrived in Beijing on 17 May.

REPORTAGE ON VISIT BY KCNA DELEGATION

Tours Sichuan Province

HK250612 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 24 May 83

[Text] According to SICHUAN RIBAO, the KOREAN CENTRAL NEWS AGENCY [KCNA] delegation, headed by Chu Hyon-ok, alternate member of the Central Committee of the Workers Party of Korea and director of KCNA, continued its tour of the province yesterday.

Yesterday morning, all the members of the delegation paid a visit to the No 2 production team of (Shunfeng) Village of (Baijia) Township in Shuangliu County, situated in a suburb of Chengdu City, where Chairman Kim Il-song had visited in the company of Vice Chairman Deng in September last year. When arriving at the place, the delegation was warmly welcomed by the responsible people concerned of Shuangliu County.

In the afternoon, accompanied by the deputy magistrate of Guan County, the delegation toured the Dujiang Weir water conservancy project. After returning to Chengdu City, they visited the Chengdu Sichuan embroidery factory. During the visit, Chu Hyon-ok and other Korean comrades admired highly the miracles created by the diligent and intelligent Sichuan people. The delegation also toured the Boguang Temple in (Xingdu), the Wuhou Memorial Temple in Chengdu, and the late poet Du Fu's Grass Hall, all of which Chairman Kim Il-song had visited.

Leaves Sichuan for Shanghai

HK250708 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 25 May 83

[Text] According to SICHUAN RIBAO, the KOREAN CENTRAL NEWS AGENCY [KCNA] delegation headed by Chu Hyon-ok, alternate member of the Central Committee of the Korean Workers Party and director of the KCNA, left Sichuan by plane for Shanghai yesterday morning after concluding its visit to the province.

The delegation was satisfied with its visit to Sichuan Province and extended its heartfelt thanks to the warm reception of the Sichuan people.

Leaves Shanghai for Hangzhou

OW270150 Shanghai City Service in Mandarin 2300 GMT 25 May 83

[Text] The KOREAN CENTRAL NEWS AGENCY [KCNA] delegation, headed by Chu Hyon-ok, director of KCNA, left for Hangzhou by train on the evening of 25 May after completing its visit to Shanghai.

SEOUL STUDENTS DEMONSTRATE AGAINST AUTHORITIES

OW261738 Beijing XINHUA in English 1644 GMT 26 May 83

[Text] Pyongyang, May 26 (XINHUA) -- Some 300 students of the private Songgyun-gwan University yesterday staged a demonstration against the rule of South Korean authorities, according to reports from Seoul.

The students shouted demands on "democratic reform" and "stop school surveillance by plain clothes police" and threw stones at the riot police. The campus demonstration lasted about two hours.

According to another report, police yesterday forcefully hospitalized former President of the South Korean "Shinmin" (New Democratic) Party Kim Yong-sam who was under house arrest. He began a hunger strike on May 17.

Over 10 members of the New Democratic Party also declared a hunger strike to support Kim Yong-sam.

SHIJIE JINGJI DAOBAO VIEWS SOUTH KOREA'S EXPORTS

HK261113 Shanghai SHIJIE JINGJI DAOBAO in Chinese 9 May 83 p 7

[Article by Zhang Wen: "Nine Measures Adopted by South Korea To Promote Export" -- capitalized passages published in boldface]

[Text] Since the mid-1960's, South Korea has rapidly developed its foreign trade, and the growth rate of its exports has far exceeded that of its imports. In 1962, South Korea's export amount was only \$55 million, but it increased to \$842 million in 1970, representing an increase of 1400 percent in 8 years. And in 1978, it further increased to \$12.7 billion, another increase of 1400 percent in 8 years. In recent years, the growth rate has slightly dropped, but the export amount still reached \$20.9 billion in 1981, an increase of 20 percent over 1980.

To promote the export business, South Korea has adopted the following measures:

1. ESTABLISHING INDUSTRIAL BASES FOR EXPORT

In 1964, South Korea promulgated a "law on exploitation and construction of industrial bases for export." Some 10 large industrial bases, including Seoul, Ulsan, Lri, Masan, (Yu Wei), and Yosu, have now been established. Built according to the principle of specialization, they provide the greater part of South Korea's industrial products for export.

2. ATTACHING IMPORTANCE TO INVESTIGATION AND RESEARCH, STRENGTHENING MARKETING AND SALES

The South Korean authorities have established under the Ministry of Commerce and Industry the South Korean Trade Promotion Council specializing in advertising commodities and collecting information. This "council" has established 86 overseas branch offices. To promote the sale of goods, in 1980 South Korea participated in 38 international fairs, held 28 overseas exhibitions, and dispatched abroad 43 sales groups of various trades.

3. MAKING USE OF THE FINANCIAL LEVER

In order to strengthen its export ability, South Korea has since 1961 repeatedly devalued its own currency. In 1961, \$1 could be exchanged for 100 won, but in June 1982, the exchange rate dropped to \$1 to 736.9 won. Consequently, it has dropped the price of export goods and increased competitive power. South Korea also used the method of reduction of direct taxes to reduce export cost. In addition, it also adopted the method of granting low interest loans for sales abroad so as to aid export businesses.

4. PLAYING AN ACTIVE ROLE IN CONTRACTING TO BUILD FOREIGN PROJECTS

Since entering the 1970's, South Korea has contracted to build foreign projects centered in the Middle East, expanding to Africa and West Asia.

In 1972, South Korea's foreign exchange income from overseas labor service contracts was only \$83 million, but it increased to over \$11 billion in 1981. While contracting to build foreign projects, South Korea also promoted the export of full sets of installations, such as cement, fertilizer, leather, hydropower generation and desalination.

5. ATTACHING IMPORTANCE TO REPUTATION AND PRACTICING GRADE SYSTEM

While building contract projects in the Middle East in 1975, many South Korean companies had an unsavoury reputation due to their failure to pay attention to their business credit. In order to change their previous image, the South Korean authorities practiced in September 1980 a "grade" system so as to eliminate those disqualified engineering companies. Practicing the "grade" system means that all the existing 106 engineering companies which are qualified to tender for foreign projects are to be divided into three grades of a, b, and c, according to their capital amount and previous business turnover. Grade a companies can tender for large projects in foreign countries. Grade b companies may contract to build some supplementary projects. And grade c companies are only allowed to contract to build small projects, such as laying pipes and erecting cable and power transmission lines.

6. BEING STRICT AND FAIR IN METING OUT REWARDS AND PUNISHMENTS, AND ESTABLISHING A FOUR COLOR CARD SYSTEM

South Korea has adopted a "four color card" system to assess exporters and manufacturers. Four different colors, namely green, white, yellow, and red are given to exporters according to their export amount. Except for those whose export amount is over \$1 million, it is stipulated that those who have been awarded medals and have been recommended due to their merits in export business and those medium and small enterprises which exported more than \$500,000 worth of their own products in the previous year may obtain highest green cards. After exporters and manufacturers obtain green cards, they can enjoy all preferential treatment as stipulated by the authorities. South Korea classifies manufacturers and businessmen who made mistakes as holders of the lowest red cards. Red-card manufacturers cannot enjoy any preferential treatment, but must be punished. This system of rewards and punishments is very effective.

7. THE GOVERNMENT EXERCISING DIRECT INTERVENTION

The president of South Korea personally grasps the export business. Every month, he presides over the "enlarged meeting on trade promotion," listens to the report made by the minister of commerce and industry on export situation in the current month and the special report made by the minister of foreign affairs, listens to suggestions from various fields, and joins in working out concrete measures and methods for fulfilling the export plan.

8. SUPPORTING LARGE COMMERCIAL FIRMS

Following Japan's example, South Korea gives much preferential treatment to large commercial firms. For example, in tendering for international projects, large commercial firms are given preference. In importing major raw materials, large and comprehensive commercial firms may have their part in it even if they do not need it practically. They may apply for raw material import permit from more than three foreign exchange banks. All of this is aimed at making these large commercial firms competitive.

9. SENDING PEOPLE TO FOREIGN COUNTRIES

South Korea adopts the policy of sending people to foreign countries, because some emigrants can take with them some obsolete technology and machines to foreign countries to obtain a large amount of foreign exchange.

Also when they settle down in foreign countries and do business, they will import raw material from South Korea. This serves the purpose of killing two birds with one stone.

Although South Korea has made rapid achievements in its foreign trade, its foundation is not firm. First, as it has imported enormous amounts of technology and machines from developed countries (mainly from the United States and Japan), and has exported the greater part of its processing products to these countries, resulting in the dependence of South Korea's economy on theirs. If these countries suffer from economic crisis and reduce their imports, South Korea's foreign trade will be adversely affected. Second, the continuous increase in prices of raw material and fuel on international market has caused protracted trade deficit to South Korea which imports enormous amounts of raw material. Consequently, its foreign trade is restrained.

JAPAN PURSUES COMPREHENSIVE SECURITY POLICY

OW251423 Beijing XINHUA in English 1345 GMT 25 May 83

[Text] Tokyo, May 25 (XINHUA) -- The Japanese Government at a meeting yesterday, reaffirmed the "comprehensive security policy" initiated by former Prime Minister Zenko Suzuki in 1980, and expressed strong opposition to Soviet deployment of medium-range missiles in the Far East.

Senior Cabinet members including the foreign minister, finance minister and the director general of the Defense Agency took part in the meeting.

Yesterday's meeting was the first called by the Nakasone Cabinet to discuss the "comprehensive security policy" which covers all aspects of security in the military, economic, diplomatic, cultural and other fields.

The meeting also discussed the U.S.-Soviet talks on reduction of medium-range nuclear missiles. It pointed out that such talks have a bearing not only on the security in Europe but also on the security of Asia including Japan, therefore, they should take the Soviet territory as a whole.

The meeting was strongly opposed to the Soviet deployment of medium-range missiles in Asia.

BRIEFS

LIAONING-KANAGAWA FRIENDSHIP TIES -- On 12 May, Liaoning Province formally established friendship ties with Japan's Kanagawa Prefecture. [Summary] [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 13 May 83 SK]

LIAONING DELEGATION TO DPRK -- At the invitation of the DPRK North Pyongan Provincial Commission under the Korean-Chinese People's Friendship Association, a six-member delegation of the Liaoning Provincial Branch of the China-Korea People's Friendship Association left for the DPRK on 10 May for a friendly visit. This delegation is headed by Shen Yue, deputy director of the Liaoning Provincial Branch of the China-Korea People's Friendship Association, with (Li Quan), director of the Industrial and Communications Department under the Liaoning Provincial CPC Committee, as its deputy head. On their departure from Shenyang, seeing them off at the station were Sun Weiben, secretary of the provincial CPC committee; Li Guixian, deputy governor of the province; Zhao Qi, advisor of the provincial people's government; (Yu Shuntian), vice chairman of the provincial CPPCC committee, and responsible persons of relevant departments. [Excerpts] [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 10 May 83 SK]

BEIJING REVIEW DECRIES SRV'S 'TROOP WITHDRAWAL'

HK260352 Beijing BEIJING REVIEW in English No 20, 16 May 83 pp 11-12

[Article by Guo Dong: "Vietnam's 'Partial Troop Withdrawal' Trick"]

[Text] Recently the Vietnamese authorities announced that Vietnam had decided to withdraw one division and six attached brigades or regiments from Kampuchea between May 2 and the end of this month. This is the second announcement of "partial troop withdrawal" within less than ten months.

Last July Vietnam announced that it would "partially withdraw" troops from Kampuchea. However, the fact is that it did not withdraw its troops but rather sent new troops into Kampuchea and moved weapons into the Kampuchean-Thai border region. In March-April Vietnam launched new military offensives along the Kampuchean-Thai border and intentionally invaded Thai territories many times. This proves that the July announcement of a "partial troop withdrawal" was completely a fraud.

The only difference between this announcement of "partial troop withdrawal" and the previous one is that the Vietnamese authorities have pretended to invite foreign reporters to witness the "troop withdrawal" from the Kampuchean-Vietnamese border area to prove that this is a "real troop withdrawal." But the Vietnamese authorities cannot conceal the following facts:

1. The alleged withdrawal of one division and six brigades or regiments of the total of 200,000 occupation troops from Kampuchea cannot alter the essence of Vietnam's occupation of Kampuchea or reduce the threat to Thailand's security. If Vietnam is honestly prepared to solve the Kampuchean problem, it should first of all announce that it will unconditionally withdraw all its troops from Kampuchea and respect the Kampuchean people's right to self-determination. Only after all Vietnamese troops are withdrawn can Kampuchea's internal problems be resolved by the Kampuchean people.

2. The Vietnamese authorities have announced only their "withdrawal" but not their reinforcement of troops in Kampuchea. Nor will they invite foreign reporters to observe their reinforcement of troops in Kampuchea. It is easy for them to move more troops into Kampuchea along the 1,000-kilometre frontier while making a show of pulling out one division or so.

Therefore, like the previous one, this Vietnam "partial troop withdrawal" is a fraud, simply one more diplomatic and propaganda offensive.

By engineering such a new "offensive," Hanoi hopes to make the countries of the Association of Southeast Asian Nations (ASEAN) accept its proposed "dialogue" between ASEAN and Indochina. On April 28 when the Vietnamese authorities announced the "partial troop withdrawal" from Kampuchea, Vietnamese Vice Foreign Minister Ha Van Lau urged the ASEAN countries to hold "talks" with Vietnam and Laos excluding the Heng Samrin regime. Should ASEAN reject the Vietnam proposal, Hanoi can easily shift the blame on to the ASEAN countries for sabotaging "dialogue" and "making tension," etc.

The "troop withdrawal" gesture is also intended by Hanoi to counter the resolutions of the UN General Assembly and the Declaration of the International Conference on Kampuchea. In accordance with the UN resolutions, Vietnam should withdraw all its troops from Kampuchea without any condition. And now it is trying to resist the UN resolutions by the "withdrawal" of one division and several regiments.

The Kampuchean people's right to self-determination can be guaranteed only after all Vietnamese troops have been pulled out of their country. The withdrawal of one division or so will in no way lessen Vietnam's violation of the basic rights of the Kampuchean people. The latest Vietnamese show of a "partial troop withdrawal" from Kampuchea is obviously a smokescreen aimed at disguising its continued military occupation of Kampuchea.

AFGHAN MUJAHIDIN ALLIANCE REACHES UNIFICATION

OW251850 Beijing XINHUA in English 1838 GMT 25 May 83

[Text] Peshawar, Pakistan, May 25 (XINHUA) -- The Islamic Alliance of Afghan Mojahedin has reached complete unification following the announcement here today of the establishment of a united leadership and dissolution of the seven member parties.

This was made public by Professor Abdul Rasul Sayyaf, president of the newly merged resistance organization, in a written announcement at a press conference here this afternoon.

The formation of the alliance was announced in Rawalpindi, Pakistan, last year. It had been a loose seven-party alliance with each party retaining its own departments.

Today's announcement came in the wake of an extraordinary session of the 60-member Supreme Council of the Islamic Alliance convened on May 22. The meeting decided that the leaders of the merged parties in the alliance resign as heads of their former parties, the previous parties should be dissolved and the assets and resources of the previous parties be transferred to the alliance.

The meeting elected Sayyaf as the alliance's new president with a tenure of two years.

At the press conference, Sayyaf reaffirmed his resolve to continue the holy war until the last Russian is driven out of Afghanistan.

All leaders of the former seven parties attended the press conference.

COMMENTARY ON SOVIET INFLUENCE IN AFGHANISTAN

OW270105 Beijing Domestic Service in Mandarin 1150 GMT 26 May 83

[Commentary from "International Current Events" program: "A Political Settlement of the Afghan Issue Is Out of the Question Unless the Soviet Union First Withdraws its Troops"]

[Text] Listeners: Soon it will be 3 and 1/2 years since the Soviet invasion of Afghanistan. According to recent reports, the Soviet Union has dispatched another Army division to Afghanistan. At the same time, a large number of Soviet military aircraft have been launching wanton and indiscriminate bombing raids on Afghan guerrilla areas and many villages, cities, and towns. But meanwhile the Soviet Union is dropping hints that it is willing to settle the Afghanistan issue politically. This is a barefaced political fraud. In this program, the station will broadcast the following commentary, entitled: "A Political Settlement of the Afghan Issue Is Out of the Question Unless the Soviet Union First Withdraws its Troops."

According to recent Soviet press reports, the Soviet Union supports the proposal made by the Afghan Karmal regime on the political settlement of the Afghan issue. What kind of rubbish is the proposal made by the Karmal regime?

In April this year, Karmal told Indian newspaper reporters that his regime is willing to hold talks with neighboring countries, Pakistan and Iran, over the Afghan issue. Playing the same old tune, he said that as soon as there is an international guarantee to prevent future aggression and intervention against Afghanistan, his country and parties concerned will work out a timetable for the Soviet troops' withdrawal.

Karmal continues to describe the armed intervention in Afghanistan's affairs by 100,000 Soviet troops as a measure to prevent external aggression and intervention. He thus provides a groundless justification for the Soviet Union's flagrant armed intervention. Karmal's intention is to rely on Soviet aircraft and artillery to maintain his puppet organization. This gives the Soviet Union an excuse to permanently keep its troops in Afghanistan. It of course supports Karmal's proposal.

Since the Soviet invasion of Afghanistan at the end of 1979, world opinion has strongly condemned the Soviet Union for trampling on the UN Charter and the norms of international relations, and has resolutely demanded the withdrawal of Soviet troops from Afghanistan. The UN General Assembly has adopted a resolution on the Afghan issue by an overwhelming majority. The resolution put forward four principles for the rational settlement of the Afghan issue: 1) all Soviet troops must unconditionally be withdrawn from Afghanistan; 2) Afghanistan's sovereignty, independence and nonaligned status must be restored; 3) the Afghan people's right to self-determination must be restored; and 4) Afghan refugees must be permitted to return to their homeland freely and with dignity. Pakistani President Ziaul Haq again emphasized these four principles during his visit to Nepal on 24 May. He described them as the demands of the whole international community. The four principles proposed by the majority of countries in the world are well-founded and reasonable.

The Soviet Union has dispatched 100,000 troops and a large number of aircraft, tanks and artillery pieces to Afghanistan, violated Afghanistan's sovereignty and independence, cruelly killed Afghan people, and forced more than 2 million Afghan refugees to wander in destitution far from home. Therefore, the key to settlement of the Afghan issue lies in the unconditional withdrawal of Soviet aggressor troops from Afghanistan. The Soviet Union and the Karmal regime have reiterated that Soviet troops will stay in Afghanistan as long as they think that external aggression or intervention exists. In so doing, they are openly ignoring the resolution of the UN General Assembly and the just demands of the great majority of countries in the world, and continuing to tell lies and create excuses. Facing the challenge of the Soviet Union and Karmal, the world's people will not stop condemning the Soviet Union as long as the Soviet aggressor troops stay in Afghanistan, and they will not abandon the principle contained in the resolution of the UN General Assembly on the Afghanistan issue.

The Soviet Union's propaganda and its acts in Afghanistan show that the Soviet Union has no intention at all to truly seek a political settlement of the Afghan issue. First, the Soviet Union has not changed its fundamental strategic plan to use Afghanistan as a springboard to open a southward passage to the Persian Gulf. According to some Western diplomats, the Soviet plan is to permanently keep its troops in Afghanistan. Some people worry that when Afghanistan falls into the Soviet Union's sphere of influence, the Soviet Union will be able to build some guided missile bases there in order to place the Strait of Hormuz within its striking range.

An article in the latest issue of the Soviet journal MEZH DUNARODNAYA ZHIZN [INTERNATIONAL LIFE] says that the situation in Afghanistan is irreversible. Soviet newspapers and television stations have increased their reportage on the situation on the Afghan battlefield. They report on how Soviet officers and men are fulfilling their so-called internationalist duties in Afghanistan. The reportage is designed to make the Soviet people fully aware of the necessity of the Soviet troops' permanent presence in Afghanistan.

In order to permanently keep its troops in Afghanistan, the Soviet Union has built a large number of permanent installations there. They include new airfields, highway and railway bridges, ground stations for satellites, oil pipelines and power transmission lines. The Soviet Union is also planning to expand several airfields and build a railroad from the Soviet Union to Kabul. All these construction projects are designed to turn Afghanistan into a permanent Soviet military base. The Soviet Union has suffered great losses during its invasion of Afghanistan; it has suffered 15,000 casualties and lost over 100 aircraft and over 1,000 motor vehicles and tanks. Its daily spending there amounts to between \$6 and \$10 million. Nonetheless, it keeps sending additional troops to Afghanistan and spending a large amount of money to support the Karmal regime. It is obvious that the crumbling Karmal regime will collapse soon if the Soviet Union is willing to withdraw its troops and truly settle the Afghanistan issue politically. If that happens, the Soviet Union's nearly 3 and 1/2 years of painstaking efforts there will be totally wasted. With its present propaganda that the situation in Afghanistan is irreversible, the Soviet Union is telling people that it will not withdraw its troops from there for nothing.

Facing the Soviet aggressors' wild scheme, the Afghan people have put forward their own way of settlement, that is, to fight the aggressors to the end. In the past nearly 3 and 1/2 years the Afghan people have not yielded at all. On the contrary, the more they fight, the braver and stronger they have become. A leader of the Afghan resistance organization said that for the sake of the motherland's honor, Afghans do not hesitate to shed their blood all over the land. A well-known Afghan saying goes, "We would rather be masters in hell than slaves in paradise." In other words, they would rather live 1 day in independence and freedom than live 100 years in enslavement. Now that the Soviet aggressors are not planning to leave Afghanistan, the only way is to fight to drive them out. Rasul Sayyaf, chairman of the Islamic Alliance for Liberation of Afghanistan, put it well when he said that under the present circumstances, the only way to settle the Afghan issue is to expel the Soviet aggressor troops.

PETROLEUM INDUSTRY DELEGATION LEAVES FOR IRAN

OW261333 Beijing XINHUA in English 1238 GMT 26 May 83

[Text] Beijing, May 26 (XINHUA) -- At the invitation of the Government of the Islamic Republic of Iran, a Chinese delegation led by Zhao Zongnai, vice-minister of petroleum industry, left here this afternoon to attend the symposium on the outlook for energy in the Third World to be held in Tehran from May 20 to June 3.

THREE IRANIAN DIPLOMATS EXPELLED FROM USSR

OW261231 Beijing XINHUA in English 1215 GMT 26 May 83

[Text] Tehran, May 26 (XINHUA) -- Three Iranian diplomats were expelled from Moscow by the Soviet Government yesterday, the Iranian news agency IRNA reported today. The report did not mention the names of these Iranian diplomats. However, it pointed out 18 Soviet diplomats were declared persona non grata and expelled from Iran earlier this month. A group of the Soviet Embassy officials in Tehran were found to have had connections with the now disbanded and outlawed Tudeh Party.

GOVERNMENT DELEGATION LEAVES FOR SRI LANKA

OW270300 Beijing XINHUA in English 0240 GMT 27 May 83

[Text] Beijing, May 27 (XINHUA) — At the invitation of the Sri Lankan Government, a Chinese Government delegation led by Li Ximing, minister of urban and rural construction and environmental protection, left here for Sri Lanka by air this morning to take part in the celebrations of the 10th anniversary of handing over of "the international conference hall in commemoration of Bandaranaike."

SOVIET NUCLEAR CONSIGNMENT ARRIVES IN INDIA

OW251221 Beijing XINHUA in English 1156 GMT 25 May 83

[Text] New Delhi, May 25 (XINHUA) — A special Soviet jet of Aeroflot, bringing a "secret nuclear consignment" from the Soviet Union, landed amidst tight commando security at Delhi airport at about 6:45 p.m. yesterday, HINDUSTAN TIMES reported today.

The top secret consignment boxes, possibly containing enriched uranium, were unloaded into camouflaged vehicles thoroughly checked by the Intelligence Bureau (IB) anti-sabotage experts, the report said. The white "uranium" boxes were carefully loaded into a truck for transportation to the Anushakti atomic power project, Kota, Rajasthan.

It said the landing schedule was kept top secret. Even the control tower had no prior information and radar operators got instructions just minutes earlier.

The surprise arrival of the special uranium cargo is significant in the wake of reports about the country's nuclear defense programs and some guarded activities at the Pokharan explosion site, the report added.

REPORTAGE ON BELGIAN CP DELEGATION'S VISIT

Talks With Qiao Shi

OW241210 Beijing XINHUA in English 1156 GMT 24 May 83

[Text] Beijing, May 24 (XINHUA) -- Qiao Shi, alternate member of the Secretariat and head of the International Liaison Department of the Chinese Communist Party Central Committee, held talks this afternoon with a delegation from the Central Committee of the Belgian Communist Party led by Louis van Geyt, chairman of the party.

Sources said the talks proceeded in a sincere and friendly atmosphere. The two sides exchanged views on present international issues and other issues of common interest, and briefed each other on domestic situation.

Present at the talks on the Belgian side were Jan Debrouwere, member of the Political Bureau and of the Secretariat of the Belgian C.P. Central Committee, and Augustin Luchateau, member of the Central Committee and chairman of the Political Commission of the Central Committee of the party.

On the Chinese side were Qian Liren, deputy head of the International Liaison Department of the C.P.C. Central Committee, and Feng Xuan, adviser to the department.

Party Relations Restored

OW261636 Beijing XINHUA in English 1601 GMT 26 May 83

[Text] Beijing, May 26 (XINHUA) -- Hu Yaobang, general secretary of the Central Committee of the Chinese Communist Party, and Louis van Geyt, chairman of the Belgian Communist Party, today agreed on the restoration of the relations between the two parties which have been suspended for 18 years.

They held that every party should think in their own way, make judgment and formulate policies independently and develop relations with other parties on the basis of equality.

In his meeting with the delegation of the Central Committee of the Belgian Communist Party led by Louis van Geyt this afternoon, Hu Yaobang said countries and parties, big or small, have their own strong points and weak points. Relations between all parties should be based on equality. "We hold that all parties should learn from each other," he said.

"We appreciated Belgian comrades' analysis on the achievements the international communist movement has won in the past years," Hu Yaobang said.

"We would like to point out that the movement had taken a tortuous road. This is true for parties which have attained power and those which have not.

"We regard that our party has made mistakes. We have repeatedly summed up our past experience and lessons. This enabled us to push our cause ahead in a better way," Hu Yaobang said.

On policy of the Chinese Communist Party, Hu Yaobang said socialist China will never occupy one inch of land of other countries. "This is the basic policy of our party and our country. At the same time, we oppose any country to occupy territory of other countries. We disapprove any 'father party' or 'dance to other's baton' and will not permit anyone to impose his views on others." He expressed the belief that all parties could integrate the universal truth of Marxism with the specific practice of their own countries and give thought to their home affairs and international issues independently, make independent judgment, and repeatedly sum up their own experience.

During the meeting, Louis van Geyt expressed his satisfaction with the candid and sincere attitude in the talks between the two parties.

He congratulated the People's Republic of China for its achievements won in the new economic upsurge and the initial prosperity for the Chinese people.

He said the talks clarify a series of common views on international relations shared by the two parties and also their differences on some other questions.

The Belgian delegation held the above situation envisages the necessity of furthering the relations between the two parties on basis of independence, equality, non-interference, and mutual respect, and such relations will not affect each other's relations with other communist parties and other progressive forces.

Van Geyt thanked the Chinese C.P.C. Central Committee for the invitation to his party and for the warm hospitality accorded his delegation. He hoped for more meetings in future. On behalf of the Belgian Communist Party, he invited the Chinese Communist Party to send a delegation to visit Belgium. Hu Yaobang accepted the invitation with pleasure on behalf of the Chinese Communist Party.

After the meeting, Hu Yaobang hosted a banquet in honour of the Belgian comrades.

Present on the occasion were Qiao Shi, alternate member of the Secretariat and head of the International Liaison Department, of the C.P.C. Central Committee, and Qian Liren and Feng Xuan, deputy head and adviser to the International Liaison Department.

The Belgian guests will leave here tomorrow to visit Shanghai and Suzhou.

PLA MILITARY ACADEMY DELEGATION LEAVES FOR FRANCE

OW261323 Beijing XINHUA Domestic Service in Chinese 0959 GMT 25 May 83

[Text] Beijing, 25 May (XINHUA) -- At the invitation of the Staff Department of the French Armed Forces, the PLA Military Academy delegation headed by Yang Zhenya, deputy director of the Military Training Department of the PLA General Staff Department, left here for France 24 May. The delegation was seen off at the airport by Hu Changfa, deputy director of the Military Training Department of the PLA General Staff Department, and Colonel (Fischer), military attache of the French Embassy in China.

CHEN MUHUA ATTENDS BRITISH ROYAL BALLET PREMIERE

OW251858 Beijing XINHUA in English 1847 GMT 25 May 83

[Text] Beijing, May 25 (XINHUA correspondent Xiong Lei) -- The British Royal Ballet opened its much expected three-week China tour this evening in Beijing with "Sleeping Beauty".

Lesley Collier danced the title role, Aurora, with David Wall as her prince. The opening night won a standing ovation.

State Councillor Chen Muhua was present tonight to give the guest artists a warm welcome and best wishes for their success. British Ambassador Percy Cradock was also present.

All tickets for the six performances of this master work, typical of the Royal Ballet's classical style, were booked out.

Interviewed at the interval, Vice Minister of Culture Zhou Weizhi described the Royal Ballet premiere as "showing the good taste and refinement of one of the world's best reputed ballet theaters". A veteran music and art critic himself, Zhou highly valued "the creative spirit" of the British dancers and expected their China tour to play its role in promoting friendship between Chinese and British people.

Dai Ailian, vice president of Chinese Dancers Association who studied with leading British dancers half a century back in London, was glad to see her British friends "dance so strongly and beautifully and look so fresh after a long journey".

Ashley Lawrence, Royal Ballet's music director who conducted China's Central Ballet Orchestra tonight, said, "Through cooperation of this kind, we can make a joint effort to present the show. And this is more interesting than bringing our own orchestra here. This is quite important too".

The British Royal Ballet, led by Norman Morrice on this tour, is scheduled to visit Beijing, Shanghai and Guangzhou to give 19 performances, including 13 performances of "Sleeping Beauty" and six shows of scenes of other ballets in repertory.

FRG CHANCELLOR KOHL ON POLICY TOWARD USSR

OW261009 Beijing XINHUA in English 0903 GMT 26 May 83

[Text] Bonn, May 25 (XINHUA) -- Christian Democratic Chairman and Federal Chancellor Helmut Kohl today stressed once again that this government will not pursue a policy towards Moscow that harms the unity of the Western alliance.

Speaking at a congress of his party opening in Cologne this morning, Helmut Kohl said, "Our policy towards our eastern neighbor can never harm our relations with the United States or sacrifice the cooperation of the Western alliance."

His scheduled visit to Moscow beginning July 4 has a close tie with the Geneva disarmaments talks, he noted. He also said, "I will not play the role of a mediator or an interpreter in Moscow. I shall have talks (with the Soviet Union) as a member of the Western alliance after close consultations with our friends." He pledged to make all efforts to contribute to the success of the Geneva talks.

Kohl said talks with the Soviet Union will be helpful to mutual understanding. No great results will be achieved in the visit, he said, "but it will be a good start if a new way of cooperation can be found."

WEN MINSHENG DEPARTS FOR FRANCE, BELGIUM

OW241636 Beijing XINHUA in English 1612 GMT 24 May 83

[Text] Beijing, May 24 (XINHUA) -- A 13-member posts and telecommunications delegation led by Wen Minsheng, minister of posts and telecommunications, left here by air today to visit France and Belgium upon invitation.

WANG BINGNAN SPEAKS AT AFRICAN DAY CELEBRATION

OW261407 Beijing XINHUA in English 1339 GMT 26 May 83

[Text] Beijing, May 26 (XINHUA) -- Chinese Premier Zhao Ziyang joined African friends at a reception here today in celebration of the 20th anniversary of the African Liberation Day.

The reception was given by the Chinese People's Association for Friendship With Foreign Countries.

Zhao Ziyang and State Councillor Ji Pengfei extended warm festive greetings to the diplomatic envoys of the African countries to China, African experts working in Beijing, and visiting African delegations present.

In his speech, Wang Bingnan, president of the association, appreciated the extremely important role played by the Organization of African Unity in the past twenty years in winning and safeguarding national independence, opposing outside interference and defending the unity of Africa.

He said: "We are so pleased to see today's Africa playing a more and more important part in the maintenance of world peace. This is an historical trend that no force on earth can stop."

Wang Bingnan reaffirmed that the Chinese people will, as always, firmly support the just struggle of the Namibian and South African authorities for the grave crime of barbarous air raid on Maputo, capital of Mozambique, and firmly support the struggle waged by the African people for the thorough elimination of racism and colonialism from the African Continent.

Moroccan Ambassador to China Abderrahim Harkett spoke on behalf of the diplomatic envoys of the African countries. He said: "Your kind initiative constitutes a new evidence of the great interest and the warm sympathy that the Chinese Government and the great Chinese people have with the just cause of the African Continent which perseveres in the struggle for complete liberation and makes all efforts to preserve its unity, sovereignty, and independence."

He said: "Since the establishment of the O.A.U., Africa has continuously, year after year, achieved victories in their struggle for complete liberation of the African Continent.

"We are happy to share the victories with the Chinese Government and the great Chinese people whose assistance to the African movement for liberation has made a precious contribution to the success achieved by the African fighters."

He said: Our ardent wish, is to see the Chinese Government and friendly Chinese people fully realize their lofty objectives, and China become a more prosperous country.

ZHAO ZIYANG MEETS CONGOLESE DELEGATION 26 MAY

OW261552 Beijing XINHUA in English 1515 GMT 26 May 83

[Text] Beijing, May 26 (XINHUA) -- Premier Zhao Ziyang this afternoon met with a government delegation from the Congo led by Aime Emmanuel Yoka, minister to the Presidency of the Republic in charge of Cooperation. The delegation has come to discuss matters concerning the construction of the Dzmboulou hydro-electric station on Lefini River in the Congo in cooperation with China.

In the conversation, Zhao Ziyang wished that China and the Congo would continue to make concerted efforts to complete the surveying and designing of the project as scheduled so as to start its construction at an earlier date for the benefit of the Congolese people. He pointed out that this economic and technical cooperation between China and the Congo would provide new experience for the South-South cooperation.

Yoka thanked the Chinese side for its close cooperation. He said the two countries have steadily developed their cooperation in agricultural, energy and other fields since the establishment of their diplomatic relations.

Present on the occasion were Qian Zhengying, minister of water resources and electric power, and Jean-Claude Ganga, ambassador of the Congo to China.

ZHAO ZIYANG MEETS AFRICAN GUESTS 26 MAY

OW261854 Beijing XINHUA in English 1837 GMT 26 May 83

[Text] Beijing, May 26 (XINHUA) -- Chinese Premier Zhao Ziyang this afternoon met in the Great Hall of the People a group of African guests on separate occasions and had cordial conversations with them.

They are Joseph Nyerere, member of the Parliament of Tanzania and member of the Executive Committee of the Revolutionary Party; the friendship delegation from Niger led by Sandi Yacouba, secretary-general of the Ministry of Foreign Affairs and Cooperation; and the friendship delegation from Nigeria led by Melford Okilo, governor of the River State.

Zhao Ziyang told the African guests that he was very glad to meet guests from the African Continent on the 20th anniversary of the African Liberation Day. He extended the day's greetings to them.

Present at the meetings was Wang Bingnan, president of the Chinese People's Association for Friendship with Foreign Countries.

ENVOY HOSTS BANQUET FOR OMANI MINISTERS

OW260935 Beijing XINHUA in English 0901 GMT 26 May 83

[Text] Beijing, May 26 (XINHUA) -- Chinese Ambassador to Oman Yuan Lulin gave a banquet in Muscat yesterday to mark the 5th anniversary of the establishment of diplomatic relations between China and Oman, according to a report from the Omani capital.

Among those present were Omani Deputy Prime Minister for Financial and Economic Affairs Qays 'Abd al-Mun'im az-Zawawi and Minister of State for Foreign Affairs Yusuf al-Alawi 'Abdallah.

Yusuf sent a message of greetings Tuesday to Chinese Foreign Minister Wu Xueqian on the occasion.

WAN LI, GU MU MEET HIJACKED AIRLINER CREW

OW261205 Beijing XINHUA in English 1100 GMT 26 May 83

[Text] Beijing, May 26 (XINHUA) -- Vice-Premier Wan Li and State Councillor Gu Mu this afternoon met with the crew of the hijacked CAAC airliner No 296 who had waged a resourceful fight with the hijackers. During the meeting, which took place at the VIP lounge of the capital airport, Wan Li and Gu Mu shook the hands of the crew members, expressing sympathy and solicitude to them.

When Wan Li asked navigator Wang Peifu about his injury, Wang replied: "The bullet went through my left leg. But the wound is much better." Wan Li also enquired about the health of radio operator Wang Yongchang who is hospitalized in Shenyang.

Gu Mu praised the crew for their heroic act. Captain Wang Yixuan said: "The party and the state have given us so much honor. We'll do better in the future."

After the meeting, Wan Li and Gu Mu had pictures taken with the crew members.

On hand were also Liu Fuzhi, minister of justice; Wu Qingtong, deputy secretary-general of the State Council; and Shen Tu, director general of the Civil Aviation Administration of China.

Present State Council Awards

OW261415 Beijing XINHUA in English 1303 GMT 26 May 83

[Text] Beijing, May 26 (XINHUA) -- All crew members of the Chinese airliner No 296 which was hijacked on May 5 were commended today by the State Council for their bravery, wisdom and high sense of responsibility to the passengers while dealing with the six hijackers.

In the presence of some 1,800 staff members of the Civil Aviation Administration of China (CAAC) gathering at the capital airport, Vice-Premier Wan Li and State Councillor Gu Mu presented two banners of honor on behalf of the State Council, one to Captain Wang Yixuan and the other to the whole crew.

Entrusted by the State Council, Shen Tu, director general of the CAAC, read a citation issued by the State Council.

The title of "heroic CAAC crew" was conferred on the crew and "heroic CAAC captain" on Wang Yixuan, the citation says. Captain Wang Yixuan and Captain He Changlin, navigator Wang Peifu and radio operator Wang Yongchang were each awarded a special-class merit and a double-grade promotion; and navigator Feng Yunwu, mechanic Lin Guorong, stewardesses Cheng Mei, Jiang Minying, and Li Xia were each given a great merit and a one-grade promotion.

The citation says that the crew took every possible measure to turn danger into safety and landed with superb skills at the Chunchon airport in South Korea unsuitable for the landing of a big plane. "They also demonstrated their noble revolutionary integrity in dangerous and complex circumstances and their respectable work ethics in ensuring the safety of the passengers," it added.

Addressing the meeting, Gu Mu said that the crew headed by Wang Yixuan was worthy of the honor and people in all walks of life should learn their noble qualities of love for the motherland and devotion to their duties.

He said China's civil aviation has grown fast in the past few years. However, CAAC's management and technical equipment have failed to keep pace with the growth. Moreover, many hidden problems and loopholes in the safety work were not solved in good time. "We should conscientiously sum up the experience, draw our lessons and adopt resolute and decisive measures to change such a passive state of affairs and bring about a thorough change in the civil aviation," he declared.

Captain Wang Yixuan said: "As a victim as well as a witness, I condemn the grave crimes committed by Zhuo Changren and the five other armed thugs." He demanded that the South Korean authorities, in conformity with world opinion and in accordance with relevant international conventions, hand over the six criminals to the Chinese judicial organs for punishment.

He also expressed thanks to the South Korean authorities for the help rendered to them during the stay in South Korea.

The CAAC today also sent letters of thanks to all the passengers who were on board the airliner No 296.

CAAC THANKS PASSENGERS OF HIJACKED PLANE

OW270315 Beijing XINHUA Domestic Service in Chinese 0128 GMT 26 May 83

[Text] Beijing, 26 May (XINHUA) -- The Civil Aviation Administration of China today sent a letter to all passengers of CAAC flight No 296 to express cordial regards and heartfelt thanks to them on behalf of all CAAC workers and staff members.

The CAAC letter says: At the time of the unexpected incident of the hijacking of an airliner by a handful of armed thugs on 5 May, faced with a grim situation, you fearlessly coped with the danger, closely united with the comrades of the flight crew and waged a tenacious struggle, demonstrating your ardent love for the party and the people, your true loyalty to the socialist motherland, your clear distinction between right and wrong and your firm patriotic spirit. When it was discovered that the plane was being hijacked several young people among you courageously stood up and prepared to wage a life-and-death struggle against the thugs. Advised by comrades of the flight crew to consider the safety of the lives of all the passengers first, you conscientiously followed orders. When some of the crew members, shot by the thugs, were bleeding, the doctor comrades among you resolutely helped dress their wounds and stopped the bleeding in good time. When it was learned that the airplane was being forced to fly to a foreign land and the situation would become even more complicated, some comrades among you repeatedly asked the flight crew for an assignment. You organized to analyze the situation and consider ways to deal with it and unanimously expressed your determination not to let the great motherland be shamed or harmed. When the airplane was forced to land in a foreign land and the passengers were held as hostages and not allowed to leave the plane, you spontaneously wrote joint letters to the Japanese Embassy to be forwarded to the motherland and the United Nations, expressing your firm determination in demanding to be sent back to the motherland. To guard party and state secrets, in good time you destroyed and disposed of all the documents, materials, papers and notes you were carrying.

When you left the airplane to have your first meal, none of you would eat because you did not see the comrades of the flight crew. You felt assured only when the comrades of the flight crew joined you and made clear that the food had not been provided by the Taiwan authorities. While in the foreign land, you longed for the motherland and missed the people and your dear ones day and night, fully demonstrating the lofty moral courage and noble character of the people of socialist China. When asked where you wanted to go, you answered with one voice: We want to return to our socialist motherland. In those unforgettable days and nights you defended the reputation of the party and country with concrete actions. You have proved yourselves to be fine sons and daughters trained and educated by the party and the people. You are worthy of the name of the great socialist motherland's faithful fighters.

The letter of thanks says: The occurrence of the hijacking incident has revealed certain weak links in the CAAC's work. To enforce law and discipline, we surely will thoroughly investigate the matter, expose it and seriously deal with it. We believe that under the correct leadership of the party Central Committee and the State Council, with the active cooperation and powerful support of the vast numbers of passengers, and with all CAAC workers and staff members working in a down-to-earth manner, our civil aviation assuredly will become better and better.

The letter says: The passengers indignantly denounced the serious crimes of hijacking and murder committed by the six thugs who hijacked CAAC airliner No 296 and strongly demanded that they be punished according to Chinese law. This action is absolutely reasonable and just. At present the CAAC is continuing to make representations to the South Korean authorities concerned, firmly demanding that the criminals be turned over to Chinese judicial organs for handling

In conclusion the letter wished all the passengers continued new successes at their respective work posts in creating a new situation in our country's socialist modernization.

COMMENTATOR ENCOURAGES INVESTMENT IN LAND

HK250738 Beijing RENMIN RIBAO in Chinese 20 May 83 p 2

[Commentator's article: "Encourage Peasants To Invest in the Land"]

[Text] With the relaxation of the party's economic policies in rural areas in recent years, agricultural output has increased year after year and peasants' income is rising incessantly. Now, more and more peasants are making investments in farm production by using good strains of seed and applying more chemical fertilizer. Meanwhile, some peasants are making investments in the land by building water conservation projects and carrying out field capital construction to improve the soil and make the land more fertile. Investment in the land is an investment for expansion of reproduction. It must be greatly encouraged, although it cannot achieve quicker economic results and is not so acceptable among the broad masses of peasants at the present time.

In the development of agricultural production, China has many favorable conditions, but there are also a number of unfavorable factors. The most acute contradiction is that China has a vast population but not enough arable land. In addition, of the existing arable land, two-thirds is not high-yielding fields. Such a situation can hardly meet the needs of quickening the pace of agricultural production. The decisive measure to iron out this contradiction is to raise latent productive capacity and improve soil fertility to grow more grain and industrial crops on limited cultivated land.

Land is a special means of production. Soil fertility is not inexhaustible, but we can make use of land perpetually if we continue to improve the soil. As is known to all, only fertile land can grow more crops. If we fail to restructure land, even fertile soil will become poor land. Thus, soil improvement is vital to the development of agriculture.

Since the 3d Plenary Session of the 11th CPC Central Committee, great changes have taken place in the rural areas. In many poverty-stricken areas, peasants now have enough to eat and wear, while in some areas, peasants are beginning to get rich. When peasants have surplus grain and money they first want to improve their livelihood, and then to carry out expansion of reproduction to increase output. It may be said that peasants are now able to afford to improve conditions of production. We must, therefore, make the best use of the situation and make them understand the idea of "first, feed the people, and second build the country." We must guide them to properly handle the relationship between accumulation and consumption, and between immediate and long-term interests so that they will voluntarily invest more money and labor in the land to improve production conditions.

Field capital construction and improvement of conditions of production must be carried out by the broad masses of peasants. The management and administrative unit in the rural areas of our country has now been shifted from individual brigade to individual household. To encourage peasants to invest in the land, the key lies in the stability of rural policies, and making peasants firmly believe that the policy of contracting the land to individual households and the extension of plots and hills for private use will not perpetually change. Now, peasants in many areas are still worrying about change in the party's policies. They take a wait-and-see attitude in improving soil fertility. Their principle is that if policies do not change in the first year, they apply chemical fertilizer; if they do not change in the second year, they apply farm manure; and in the third year, they begin to grow restorative crops. Investment in the land is a long-term venture. To encourage peasants to make substantial investment in the land, we must make them have firm faith in the party's policies. We must apply a principle of rewarding investors in the land and let peasants gain something from their investments. We should not raise the quotas assigned to them when they increase their output and income from their investment in the land. Production teams must strictly adhere to the contracts concluded with peasants and must not arbitrarily amend any contracts and destroy the confidence of contractors. In Tayi County, Sichuan Province, peasants are encouraged to reform low-yielding fields with self-collected funds, and a policy of the "three no-changes" is pursued. The "three no-changes" refer to the right to use the land which is invested in by the contracted household, the fixing of output quotas, and state purchase quotas. This practical policy of the "three no-changes" is warmly welcomed by peasants and has aroused their enthusiasm in making investments in the land.

It is necessary to reward the advanced. In some areas, when land is contracted to peasant households, a record of the land's crop output is filed. After several years, the contracted households are rewarded or penalized according to the fertility of the land. This is a good method, worth promoting and being adopted throughout the country according to specific conditions. If an individual household finds it difficult to bring land under irrigation, brigades, production teams, and relevant departments have to encourage several households to work in concerted effort and help them draw up plans and organize a labor force. Meanwhile, it is necessary to give them technical guidance in field capital construction and supply them with sufficient raw materials.

FINANCE MINISTRY CIRCULAR ON TAX COLLECTION

OW270505 Beijing XINHUA Domestic Service in Chinese 1608 GMT 26 May 83

[Text] Beijing, 26 May (XINHUA) -- The Ministry of Finance issued a circular on 24 May calling on all areas and departments to collect income tax from state-owned enterprises as scheduled.

The circular stipulates: All enterprises in areas and departments where the necessary preparations have been completed should, beginning 1 June, pay income tax, turn in after-tax profits and pay adjusted tax to the state in accordance with pertinent stipulations.

The circular states: Those enterprises where preparations have basically been completed but the ratio of retainable after-tax profits and the amount payable have yet to be decided, should pay income tax and turn in a certain proportion of after-tax profits first and settle accounts later after they have been officially checked and ratified. As for those enterprises whose after-tax profits fall below the amount designated for equitable retention, the finance and tax departments at all levels may consult with other responsible departments concerned to work out a provisional tax ratio for taxation purposes and allow them to settle accounts later after they have been officially checked and ratified.

DEVELOPMENT OFFICES OPEN FOR ZHONGYUAN OIL FIELD

OW241231 Beijing XINHUA in English 1147 GMT 24 May 83

[Text] Zhengzhou, May 24 (XINHUA) -- Special offices are being set up by county governments in and round the Zhongyuan (central China) oilfield to help accelerate the development of this top-priority energy project.

The oilfield covers 5,300 square kilometers through 12 counties in Henan and Shangdong Provinces. It is expected to produce five million tons of crude oil and 500 million to 700 million cubic meters of gas annually by 1985.

The special offices are being set up in response to the State Council's call earlier this year for better coordinated efforts to advance the building of 70 top-priority capital construction projects chosen for their importance from among a total of 600 being built in China, said Henan provincial authorities.

The offices will be responsible for publicity campaigns to help local people -- peasants in particular -- understand the importance of the oilfield to China's economy, provincial authorities said.

This education is especially important when peasants are requested to leave their land and homes to make room for construction projects, the authorities added.

The oilfield compensates the displaced peasants. The offices will mediate should difficult bargaining occur, the provincial authorities said, and persuade peasants to cooperate while asking the oilfield to save every inch of land.

Further on Development Offices

OW240943 Beijing XINHUA Domestic Service in Chinese 1146 GMT 23 May 83

[By reporter Yang Yusheng]

[Text] Zhengzhou, 23 May (XINHUA) -- Various counties around the Zhongyuan oil field have successively set up special organizations to support oil field construction. These organizations will harmonize worker-peasant relations, educate the cadres and commune members to be concerned about, and support, the oil field, make great efforts to help overcome difficulties regarding oil field construction, and ensure the smooth process of oil prospecting and development of the oil field.

The Zhongyuan oil field is located in a densely populated region on the Henan-Shandong border. In the course of its development, conspicuous contradictions exist between workers and peasants. The peasants frequently intercept oil field vehicles, cut roads by digging ditches across them, and steal oil and other materials. The provincial party committees of Henan and Shandong attach great importance to the situation. The responsible persons of the two provinces have repeatedly visited the oil field area to investigate the situation and help solve problems concerning oil field construction. Counties in the area, such as Fanxian, Puyang, Gingfeng, Xinxian, Dongming and Lankao, have set up special offices to support oil field construction. These offices, staffed by cadres who understand the policies and have organizing ability, are responsible for educating the people to protect the oil field and observe the law. Emphasizing that oil field construction will promote local economic development, they educate people to put the national interests first.

In the spring of 1983, the Wennan District of Puyang County became the major construction site for the oil field. The construction covered a large area, required relocation of some peasant families, and caused many difficulties in their production and livelihood. The leading cadres of the county party committee and government explained to the cadres and commune members the significance of the development of the Wennan District and asked them to strive to make more contributions to oil field construction. The people actively yielded their land and moved out. As a result, the Wennan oil district began oil production sooner than planned on the eve of "May 1" Labor Day.

The comrades of various county offices for supporting oil field construction constantly visit communes and production brigades to harmonize worker-peasant relations. They do thoroughgoing and painstaking work to settle disputes between the oil field and the peasants over damage done to water conservancy facilities or farm crops by oil field construction. They have successfully solved a number of long-standing problems. In the course of harmonizing relations between the oil field and the peasants, on the one hand, they urge oil field workers and staff to treasure the land and cherish local people's property; while on the other hand, they ask the peasants not to make unreasonable demands on the oil field. They also help various communes and production brigades draw up written pledges and return public property. Since July 1982, the authorities in the oil field area have closed down 325 indigenous oil-refining furnaces run by the peasants, and dismantled more than 2,000 electric motors which used, without permission, oil field electricity for power. Fanxian and Puyang have recovered 4,200 stolen items, worth more than 200,000 yuan, and returned them to the oil field. Currently, a large number of advanced collectives and model persons supporting oil field construction have emerged in various counties.

BEIJING MEETING VIEWS ENTERPRISE REFORM WORK

OW220138 Beijing XINHUA Domestic Service in Chinese 1300 GMT 20 May 83

[By reporters Xu Yaozhong and Wu Jincai]

[Excerpts] Beijing, 20 May (XINHUA) -- The work conference on the consolidation of enterprises under various departments of the State Council, held in Beijing today, introduced the experience in enterprise consolidation of Tianjin's Xingang shipyard, Shanghai's Pengpu machinery plant and Heilongjiang's Acheng relay factory. A responsible person of the national leading group for enterprise consolidation held that the experience of the three enterprises in consolidating themselves with a reforming spirit is conducive to accelerating the pace of consolidation and raising the quality of consolidation, and is a useful reference for all areas and departments. Although some achievements have been made in the consolidation of China's industrial and transport enterprises, progress is not fast enough, the quality of work is not good enough, and economic results are not remarkable.

The experiences of the three factories have four features in common:

First, they combine consolidation with reform and carry out consolidation with a reforming spirit;

Second, they rely mainly on their consciousness to carry out their own consolidation;

Third, they insist on combining learning from others with creating their own and conscientiously sum up their experience in enterprise management;

Fourth, in the course of consolidation and reform, importance is attached to building spiritual civilization.

Zhao Yinhua, responsible person of the national leading group for enterprise consolidation, spoke highly of the practice of three units.

Zhao Yinhua pointed out: The party Central Committee and the State Council have clearly defined the principles and policies for enterprise consolidation, and we must conscientiously implement them. As to the specific system and method of enterprise management and operation, it is not necessary always to wait for the arrangements to be made by higher authorities. It is entirely correct for the enterprises to proceed from actual conditions and make decisions independently.

He said: In enterprise consolidation and reform, it is necessary for the higher authorities and the enterprises to coordinate and move simultaneously. The leading departments should create certain external conditions for the enterprises. So long as the leading bodies of enterprises are highly conscious of the need for consolidation, dare to carry out reforms and to tackle tough problems, a new situation assuredly will be created in the consolidation and reform of enterprises.

AIR FORCE PRODUCING BETTER EDUCATED CADRES

OW260900 Beijing XINHUA Domestic Service in Chinese 0018 GMT 26 May 83

[By reporter Cai Shanwu]

[Text] Beijing, 26 May (XINHUA) -- The aviation engineering department of the Air Force is stressing "intellectual investments" to build up better educated and more professionally competent units. According to the recently published list of new appointments, two-thirds of the cadres in section level leading bodies of this department have a college-level education.

Several years ago, with a strategic eye on the long-term need to build the unit into a modernized force, this department's party committee, willing to make "intellectual investments," adopted three measures to raise the cadres' educational standard: 1) Fourteen young cadres were selected and then sent to the Air Force engineering institute for advanced study in their respective skills. 2) Cadres were encouraged to engage in self-cultivation to become useful persons. 3) Cadres newly transferred to the department were required to have a college-level education. Thanks to efforts over the past several years, a gratifying change has taken place in the cadres' situation in this department -- over 50 percent of them have a college-level education. This has laid a solid foundation for selecting cadres with scientific and general knowledge to assume leadership in various sections. Xue Dazong, the newly appointed director of the electronic equipment section, had only junior-middle school education before joining the Army. He finished senior-middle school courses through self-study. With support from the leadership, he studied college-level electronics and mathematics in the past several years. After testing him, the departments concerned found his education and general knowledge equivalent to the college level.

AIR DEFENSE MEETING VIEWS CIVILIAN USE OF PROJECTS

OW201229 Beijing XINHUA Domestic Service in Chinese 0143 GMT 20 May 83

[By correspondent Liu Dongwen and reporter Nie Nianxin]

[Text] Chongqing, 20 May (XINHUA) -- At present nearly one-fifth of China's people's air defense projects are used to serve social production and the people's livelihood. More than 350 million yuan of output value and business volume is produced and more than 41 million yuan of taxes and profits is delivered to the state annually.

This was disclosed at the national meeting to exchange experience in maintaining and managing people's air defense projects which closed in Chongqing on 16 May.

China has built people's air defense projects on a large scale. By turning these projects into workshops, warehouses, hotels, hospitals, classrooms and other cultural and recreational centers throughout the country in line with local conditions, the various localities have not only accumulated funds for the four modernizations but have also provided jobs for more than 50,000 people and enriched the people's cultural life. Statistics show that the hotels and guest houses operated at the people's air defense projects have more than 60,000 beds, which is equal to the total number of beds in surface hotels in Beijing, Tianjin and Shanghai Municipalities.

At the meeting, the State People's Air Defense Commission [guo jia ren fang wei yuan hui 0948 1367 0086 7089 1201 0765 2585] urged the people's air defense departments at all levels to devise ways to make full use of the projects during normal times and to pay attention to improving their peacetime use and strengthening their management in preparation against war.

BEIJING AVIATION INSTITUTE BUILDS LIGHT AIRCRAFT

OW250145 Beijing XINHUA Domestic Service in Chinese 0110 GMT 20 May 83

[By reporter Liu Linchun]

[Text] Beijing, 20 May (XINHUA) -- An ultralight, multipurpose airplane weighing only 95 kg has been successfully developed by the Beijing Aviation Institute. The airplane is easy to operate, consumes fuel economically and performs satisfactorily and reliably.

It can be used for spraying insecticide, geological surveys, woodland protection, aerial photography, regional travel and mail delivery. To meet various needs, the institute has also successfully developed a 340-kilogram ultralight and multipurpose airplane, with a maximum take-off weight of 500 kilograms and a maximum speed of 70 kilometers per hour. These two types of aircraft need only 40 to 60 meters of level ground to take off, and an even shorter runway to land.

LEADERS WRITE INSCRIPTIONS FOR BEIJING SCHOOL

OW211129 Beijing XINHUA Domestic Service in Chinese 1201 GMT 20 May 83

[By reporter Zhang Baorui]

[Text] Beijing, 20 May (XINHUA) -- The Beijing Yucai School held a meeting today of all of its teachers, students and workers to implement the spirit of inscriptions written recently for the school by central leading comrades.

After Comrade Deng Xiaoping wrote an inscription for a history of the Yucai School on 1 April "Study diligently, observe discipline, love labor, take pleasure in helping others, work hard and face the enemy courageously," Comrades Bo Yibo and Chen Yun also wrote inscriptions for the school on 4 April and 7 May respectively. Comrade Bo Yibo's inscription reads: "Enroll the country's people of outstanding ability and educate them; strive hard to continuously train and supply thousands upon thousands of competent people for the country's four modernizations drive!" Comrade Chen Yun's inscription reads: "Inherit and carry forward the Yanan revolutionary spirit; make new contributions to the cause of proletarian education."

The Beijing Yucai School was originally a merger and development of several primary schools founded by the party Central Committee during the war of resistance against Japan and the liberation war period to accept and rear children of revolutionary cadres and orphans left by revolutionary martyrs. In the past 46 years, the school has conscientiously implemented the party's educational principles, trained tens of thousands of competent people for China's proletarian revolutionary cause and construction, and accumulated a great deal of educational experience. To further summarize experience and develop its fine traditions, the school began to compile a school history in the autumn of 1981 and has thus far completed the first volume of "Selected Historical Materials of the School."

In order to act in the spirit of the inscriptions of Deng Xiaoping and the other comrades, and to train more outstanding people with both political integrity and ability for China's socialist modernization program, the Beijing Yucai School has -- in the past few days -- organized all teachers, students and workers to conscientiously study the central leading comrades' inscriptions and make up their minds to make the school an even greater success.

SCIENCE ACADEMY MAPS OUT RESEARCH PROGRAM

OW230904 Beijing XINHUA in English 0832 GMT 23 May 83

[Text] Beijing, May 23 (XINHUA correspondent Zhu Shida) -- The Chinese Academy of Sciences is working out a 1986-2000 scientific research program, according to academy sources here today. The academy has set up an office for the purpose, the source said. The 15-year plan, composed of ten major research schemes and a number of special projects, aims to serve the nation's economic construction and the quadrupling of the total industrial and agricultural output value by the year of 2000, according to the president of the academy, Professor Lu Jiaxi.

Thirty-five groups in fields of scientific research and management will be set up:

- Seven groups including agriculture, energy, material science and information science;
- Fourteen groups in engineering science and new technologies including bio-technology and engineering thermo-physics;
- Seven groups for basic sciences;
- A group for studies of the areas bordering on natural and social sciences.

The groups composed of specialists will investigate and study, provide data and information based on analysis, recommend areas or projects for priority development, make comparative studies of a number of project schemes and work out decisionmaking proposals. China mapped out a 1956-1968 plan for scientific and technological development in 1956 which served to promote China's semi-conductor, computer, automation and nuclear energy industries. The ten-year (1962-1972) plan was halted due to the outbreak of the "Cultural Revolution". China blocked out another eight-year (1978-1986) plan in 1978. The two plans had made contributions to China's science advancement, academy sources said. The academy is carrying out 28 major research projects for the period before 1986, 17 of which are listed in the national science and technology development program.

BEIJING TO ESTABLISH COLOR TELEVISION CENTER

OW251247 Beijing XINHUA in English 1232 GMT 25 May 83

[Text] Beijing, May 25 (XINHUA) -- A color television studio and production center, covering 104,000 square meters, will be set up in Beijing by the central television station of the Ministry of Radio and Television, according to the ministry. Preparations are complete and construction is scheduled to begin soon. The project, which is slated for completion in five years, includes a 24 story building for program broadcasting and a three story building for production. After completion of the center, news, feature, education and entertainment programs will be broadcast by three channels simultaneously to all parts of China through broadcast satellite and microwave trunks. Daily, multi-channel broadcasting will last 33 hours. Another channel will be used especially for receiving and transmitting news programs with TV stations in foreign countries. All programming will be computer controlled. The new TV center will have 20 studios in the two buildings, and the total hours for producing TV programs each week will reach 172.5 hours, 9.5 times the present capacity. The purpose of the center is to offer people more quality TV programs and more hours. The present facilities, which were equipped in 1961 for black and white programs are not suitable for the increasing demands of the television development. The station has only two channels now, one for national broadcasts and the other for Beijing, and only two studios.

WEN WEI PO ON U.S. TECHNOLOGY EXPORT TO PRC

HK260810 Hong Kong WEN WEI PO in Chinese 26 May 83 p 1

[Report by Cheng Hsiang: "Note: Baldrige Tells Reporters That the United States Will Take Action in 1 or 2 Months To Relax its Restrictions on Technology Export to China"]

[Text] Beijing, 25 May -- Malcolm Baldrige, secretary of the U.S. Department of Commerce, said today that the United States would relax its restrictions on high technology export to China in the near future. He hinted that such a relaxed policy would become clearer in 1 or 2 months. Speaking at a press conference today, on affairs concerning the PRC-U.S. Joint Commission on Commerce and Trade, Baldrige said: President Reagan asked me to relay his message to the Chinese leaders that the procedures concerning the export of high technology to China would be rapidly and remarkably improved.. He added: President Reagan is of the opinion that we should revise the procedures for the examination and approval of export of high technology to China so that China will see that there will be more actual changes than before in this respect. Of course, we should also take our national security and other factors into consideration. However, the technology we are going to approve will far exceed the technology we exported in any previous period, whether in technology level or in the speed of examination and approval procedures. He pointed out: I believe Secretary of State Shultz and Secretary of Defense Weinberger will be pleased to see the realization of this policy. He declared that the technology he mentioned was not military technology but military-civilian technology.

CHING PAO ARTICLE ON DENG-SHULTZ 5 FEB TALKS

HK260756 Hong Kong CHING PAO in Chinese No 5, 10 May 83 pp 14-15

[Article by Hai Hsing: "Deng Xiaoping Baffles Shultz"]

[Text] Three Straightforward Questions Raised

Does the United States consider China a potential enemy or a true friend?

Can China make friends with the United States?

Does the United States deserve to be called a true friend?

It is said that these were the three questions raised by China's top level policy-maker Deng Xiaoping in the talks held with U.S. Secretary of State Shultz on 5 February this year. No specific results were achieved at that round of top level Sino-U.S. talks. This has been proved by the unpleasant events which took place in the past 2 months or so. The reason for these events was the execution of the established policy of the Reagan administration toward China. No wonder Deng Xiaoping was not interested in beating about the bush with Shultz, but straightforwardly raised the three questions. In fact, this proved that the basic stand of U.S. policy toward China remained unchanged and no agreements on any views were reached with China. Why did the situation get into such a plight?

Is This Friendly Behavior?

We might as well take a look at the attitude of the United States toward China over the past 8 months or so:

1. After the issue of the Sino-U.S. joint communique signed in August 1982, the United States, as before, continued its arms sales to Taiwan. On 9 February 1983, the U.S. State Department declared that the Reagan administration had decided to sell 66 F-104 Starfighters to the Taiwan authorities. The trick of delivering the Starfighters in batches was played in the deal. Each batch did not exceed \$14 million, a sum which need not be approved by Congress. It seemed that using such a trick, \$900 million of arms were to be delivered to Taiwan in batches over the year.

2. On 28 February and 1 March this year, some congressmen of the Senate and House of Representatives successively put forward similar proposals, which claimed: "The future of Taiwan should be solved in a peaceful manner without any threat and in the form of a communique signed between the United States and the PRC, which is acceptable to the Taiwan people and which conforms the law approved by Congress." That is to say, the Taiwan problem can only be solved in a way stipulated by the United States and according to the U.S. law. It seems that Taiwan is no longer a province of China, but has become the 51st state of the United States.

3. While meeting some American students in the White House on 25 March, Reagan had the impudence to say: There are two governments in China, and the Taiwan government "has always been our firm ally and friend. We do not think it is necessary to give up our long-term alliance in order to associate with the other government." These words clearly indicated that Reagan was trying to play the two Chinas trick, and greatly cherished his old friend -- the Chiang regime which escaped to Taiwan.

4. On 1 September 1982, a district court in Alabama brazenly made a "judgment of default" against the PRC, ruling that the Chinese Government should pay some \$40 million to the nine American citizens who held Huguang railway bearer bonds issued by China's Qing government in 1911. The U.S. side also claimed that if the Chinese Government defied the judgment of the U.S. court, the plaintiffs may demand the U.S. court to enforce the judgment and attach properties of the PRC in the United States. This event not only proved that the U.S. court utterly violated the principle of international law on sovereign equality among states in demanding China repay the debts, but also proved that the U.S. Government attempted to insult the Chinese Government, hurt the national dignity of China and poison Sino-U.S. relations.

5. On 4 April, the U.S. Government formally declared it would grant "political asylum" to the Chinese tennis player Hu Na. It was later revealed that the Hu Na incident was deliberately created by a handful of Americans working in collusion with Taiwan agents at the connivance of the U.S. Government and Reagan himself.

Reagan Is Still Pursuing a Policy of "Two Chinas"

Viewed from the above indications and due to the abnormal acts of the United States, Sino-U.S. relations gradually turned from a delicate state to a far from encouraging one, and could even be said to have fallen into a dangerous situation. At least the following aspects merit attention:

1. Politically, the Reagan administration strongly opposed the communists, and Reagan's stand of pursuing "one China, one Taiwan" or "two Chinas" hardly changed. Not long ago, the former Assistant to the President for National Security Affairs Brzezinski pointed out at the U.S. Foreign Policy Association: The United States is deviating from the policy of recognizing only one China. He said: Generally speaking, the United States has not adopted the stand of recognizing only one China. At least it is surreptitiously trying to make people feel that there are two Chinas. He believed that the behavior adopted by President Reagan was undermining Sino-U.S. relations.

2. In its 14 April issue, the Taiwan weekly CH' IEN CHIN [ADVANCE] revealed the information that Wang Sheng, an important figure in the Taiwan power groups, secretly visited the United States of the invitation of the U.S. Department of Defense. It was rumored abroad that Wang Sheng secretly visited the White House and was greeted by President Reagan. They discussed the prospects of "Sino-U.S. relations" (that is, Taiwan-U.S. relations) and the issue of arms sales. The periodical held: "The political intention of such an act adopted by the U.S. Government gives one much food for thought."

3. According to WASHINGTON POST sources, the final decision for granting "political asylum" to Hu Na was made by the top levels of (U.S. Government). It is thus obvious that the Reagan Administration has escalated its hostility toward China.

Beijing's Stand is Clear and Unequivocal

As people have already seen, Beijing has been quick, resolute, clear, and unequivocal in its reaction in the past few months toward the disputes provoked by the U.S. Government. This was to be expected. Beijing's reaction was reasonable, on just grounds and with restraint. Take the trade problem for instance. It was the United States who first restricted imports of China's textile goods; the Chinese side in return had to restrict imports of some U.S. agricultural products, an action which did not affect anything else. On the issue of the Huguang railway bearer bonds, China also made clear beforehand (in the memorandum) that if the United States continued to allow the district court to make trouble, China would adopt relative measures. This was the so-called "preemptive" diplomatic strategy. As to Beijing's reaction on the Hu Na event, measures were taken to retaliate in the fields related to sports activities and cultural exchanges, but not involving other multilateral relations. Some foreign press considered that China's reaction was overbearing and others held that China was weak. This was because they lacked understanding of Beijing's diplomatic policy of maintaining independence and keeping the initiative in its own hands, or probably they just half believed and half doubted it.

Time and again the top policymaker of Beijing had stated that China will never place the strategic relations with the United States above its sovereignty and national dignity. Taiwan has always been part of China's territory. The Chinese on both sides of the Taiwan Strait hold that there is only one China. This was also affirmed after diplomatic relations between the United States and the PRC were established. The peaceful solution of the Taiwan issue in a just and reasonable manner has already been proposed in the Constitution of the PRC and the peaceful negotiations. However, the United States stubbornly clung to its so-called Taiwan Relations Act and tried to place all sorts of obstacles in the way, which gave people the impression that its intention was not merely to poke its nose into other's business, but to be high-handed.

It is quite certain that Beijing took the long-term interests of the people of China and America into account and was patient in its search for a way to negotiate the Taiwan issue with the U.S. authorities. At present, the key to the matter lies with the U.S. side. Confucius once said: "Judge people by their deeds, and not just by their words." What we have to do is to earnestly observe and judge every move of those so-called friends, who are always day-dreaming and are not open and aboveboard in their behavior, and warn them in time so that they will not go too far on the wrong track.

Are There Three Governments in the United States?

Lastly, I would like to explain how the three questions, mentioned at the beginning of this text, were raised.

It is said that when the subject of technology transfer was approached in the talks, Deng Xiaoping pointed out: China will not by any means necessarily have to depend on the advanced technology of the United States. We rely mainly on self-reliance in building our modernization. The problem is whether the United States regards China as a potential enemy or a true friend. Then he told Shultz frankly: Many of the Chinese people still have doubts on whether we can make friends with the United States and whether the United States deserves to be called a true friend.

When the Huguang railway bearer bonds case was referred to, Deng Xiaoping said: The so-called Huguang railway bearer bonds dispute is just something carried in some people's pockets which can be taken out at any time to create trouble in the Sino-U.S. relations. The United States should check such an act. Shultz explained that the judicial system was independent in the United States and the government had no right to intervene. The reason why those Americans prosecuted China was only to demand some indemnity, not to create disturbances. Deng Xiaoping immediately refuted him, saying: If that is the case, there are in fact three governments in the United States -- the Congress, the Cabinet and the court. Which government do you expect us to deal with? If the Americans have the right to demand indemnity from China, why cannot we also demand indemnity from you for the heavy losses the Chinese people have suffered from imperialist aggression and oppression in the past century or so? How can we talk about developing our relations if you raise such a problem as soon as we meet?

HONG KONG DELEGATION DISCUSSES FUTURE IN BEIJING

HK260708 Hong Kong CHING PAO in Chinese No 5, 10 May 83 pp 4-6

[Report: "Maintaining Prosperity Around the Time of the Change of Hands; Setting About the Training of Chinese To Take Over -- Academic Delegation Members Disclose Information About Discussions with Beijing on the Hong Kong Issue"]

[Text] After the 30-member delegation of Hong Kong intellectual circles returned to Hong Kong on 11 April, our reporters separately called on many members of this delegation. According to them, apart from visiting some educational as well as scientific and technological organizations in the mainland, they also held extensive exploratory talks with the authorities in Beijing. The impression they obtained from talks with Vice Chairman Liao Chengzhi of the NPC Standing Committee and Deputy Director Li Hou of the Hong Kong and Macao Office was: China's stand on recovering sovereignty over Hong Kong is unshakable, and there is no room for bargaining. Beijing will work out a "basic law" or a "miniconstitution" so that the scheme of Hong Kong people governing Hong Kong can be legalized. At the same time, Beijing is extremely willing to listen to the views of Hong Kong compatriots and to seek a more perfect way of maintaining the prosperity and stability of Hong Kong before and after the takeover.

The Intellectuals Put Forward Many Views

The delegation stayed 6 days in Beijing, and after visiting Xian and Guangzhou, returned to Hong Kong on 11 April. Mr Chang Yu-chi, professor of civil engineering and dean of the Faculty of Engineering of the University of Hong Kong, was the leader; and Mr Min Chien-shu, professor of marketing and administration and dean of the Faculty of Business Administration of the Chinese University of Hong Kong; and Mr Chang Szu-shen, head of the Department of Mechanical Engineering of the Hong Kong Polytechnic; were deputy leaders of the delegation.

The members included professors, lecturers, doctors and computer experts from the Hong Kong University, the Chinese University of Hong Kong and the Hong Kong Polytechnic, as well as Mr Chen Kun-yao, director of the Asian Research Center of the Hong Kong University, and Mr Cheng Yu-shih, lecturer of the Department of Politics and Administration of the Chinese University of Hong Kong, who frequently expressed views on the question of the future of Hong Kong.

According to the members of the delegation, they were received and feted by Vice Chairman Liao Chengzhi of the NPC Standing Committee the morning following their arrival in Beijing. Vice Chairman Liao talked with the visitors for more than an hour in Cantonese about the question of Hong Kong's future. Then, the members of the delegation in succession put forward their views regarding the question of Hong Kong's future, including: how to strengthen confidence; how can the people of Hong Kong take part in policymaking regarding their own future; how to promote mutual understanding between Beijing and the special administrative region; how to guarantee Hong Kong's way of life and system will remain unchanged; and how to strengthen economic cooperation between Hong Kong and the mainland. On the afternoon of 4 April, at the Huadu Restaurant, Deputy Director Li Hou summed up the above questions and made a detailed reply to the delegation. Questions were answered and the atmosphere was stimulating.

The British Flag and the British Governor Must Change

As a result of the meetings and talks, some of the members feel that Beijing's attitude regarding Hong Kong's sovereignty is resolute and decisive. The Beijing authorities expressed that the question of sovereignty is a major issue of principle vital to national dignity and national interests. There will be "no discussion" on the question of sovereignty. Hong Kong is a part of China, and the Chinese people have the boldness of spirit to take back Hong Kong. If Hong Kong is not taken back by 1997, there will be no way of justifying this to 1 billion Chinese people. The Qing Dynasty had humiliated the nation and forfeited its sovereignty. Now, China cannot humiliate the nation and forfeit its sovereignty in the manner of the Qing Dynasty, and absolutely cannot extend recognition to unequal treaties. China has no other choice. All suggestions of "separating sovereignty and administrative power" and "prolonging British rule in Hong Kong" will not be considered. The whole of Hong Kong must be taken back by 30 June 1997. China will recover sovereignty over Hong Kong, the British flag will be lowered and there will no longer be a British governor.

Studying and Working Out a "Miniconstitution"

What is to be done after the return? The Beijing authorities expressed that considerations must be given to historical circumstances and Hong Kong's actual conditions. Article 31 of the Constitution stipulates: "The state may establish special administrative regions when necessary. The systems to be instituted in special administrative regions shall be prescribed by law, enacted by the NPC in light of specific conditions." There is no doubt whatsoever that mainland China will practice socialism to the end, but it is necessary to set up two special administrative regions. One is the special administrative region of Taiwan, and the other is the special administrative region of Hong Kong (including Macao). Taiwan's three people's principles is actually capitalism. Therefore, Hong Kong can also practice capitalism. After the return, Hong Kong will not become a province or a city of the mainland. Therefore, a "basic law" or two "miniconstitutions" will be worked out for the two special administrative regions. The basic law will not conflict with the "four principles." The contents of the basic law will be more specific than the nine-point proposal made by Ye Jianying to Taiwan in 1981.

However, Hong Kong will be slightly different from Taiwan, because the present Army of Hong Kong is the army of a foreign country. Beijing already has a basic policy for Hong Kong. Hong Kong will enjoy a high degree of autonomy as a special administrative region in the future. Hong Kong's present social system and way of life will not be changed. Foreign investment will continue to exist. In future, a citizen of Hong Kong will hold the position with highest responsibility in the special administrative region. British people who are willing to stay on and help Hong Kong can serve as advisers and continue to give play to their talent, and they can be assured of no change in their treatment. The people of Hong Kong will be responsible for their own public order and Beijing will not send PLA personnel or police. The Hong Kong currency can remain in circulation. The position of Hong Kong as a free port and financial center will be preserved. The miniconstitution will be announced at a certain date. The draft of the miniconstitution will not be prepared by a handful of people, and considerations will be paid to consulting people of all circles in Hong Kong. China is also considering the setting up of a committee in charge of the drafting. The contents of the miniconstitution will solicit views from all sectors, and in the end be submitted to the NPC for approval. At the present stage, details of the miniconstitution have yet to be worked out. There are still 14 years left, and it cannot, and also need not, be too specific, for all these can still "be discussed."

Who Will Administer Hong Kong

What kind of people can be considered "Hong Kong people" to take over the "administration of Hong Kong." The Beijing authorities resided in Hong Kong for 7 years. They do not have to be socialists, but they must acknowledge that Hong Kong is Chinese territory, support China's recovery of Hong Kong, recognize the People's Republic of China as the sole lawful government of China and not go in for two Chinas. Hong Kong cannot become independent.

Reversals of the Past Will Not Be Allowed To Appear Again

The Beijing authorities answered the question of the so-called "two fears." One is the fear that Hong Kong will be at a loss without the British. Beijing holds that Hong Kong will still be prosperous without the British, for after China has taken back Hong Kong, Hong Kong can play an even more important role, and Hong Kong compatriots can run the place even better. Even though the economy inside China will greatly develop in the future, its policy toward Hong Kong will remain unchanged. The other is the fear of frequent changes in state policy. There were indeed changes of policy in the past, but they have become vestiges of the past. The key task of the country at present is to develop the economy, and this requires a long period of stable environment. Internally, there must be stability and unity, and internationally, peace must be safeguarded. The reversals of the past will not be allowed to appear again. At present, arrangements are being carried out inside the country for the changing of leading bodies, and this is a guarantee that the question of life tenure in the leadership structure will not appear again. This is a plan for permanent order and stability. The Chinese people and the CPC have learned the experiences and lessons of the past, and history will not go backward. Even when Deng Xiaoping is no longer around, there will be no reversal of policy.

The Beijing authorities hold that Hong Kong's present predicament is mainly caused by international economic recession. It is necessary to see that the estimated 5 percent increase in gross industrial and agricultural output value last year was in fact an increase of 7.5 percent. It is reckoned that results will also be considerable this year.

Preserving the prosperity of Hong Kong is of important value to both the Hong Kong compatriots as well as the mainland. Hong Kong last year earned \$6 billion in foreign exchange for China. As a result of the development of the whole national economy in the future, there will be changes in the proportion of foreign exchange obtained from Hong Kong. Even with this being the case, China's policy toward Hong Kong will still remain unchanged.

Giving Priority to Imports From Hong Kong

Regarding the question of how to support Hong Kong's economic recovery, the Beijing authorities expressed that they are considering the gradual opening up of the domestic market to Hong Kong, and in coordination with domestic needs, priority will be given to the import of industrial products from Hong Kong. Regarding the economic decline and industrial recession in Hong Kong which are mainly caused by the global economic crisis, the Bank of China will continue to take steps and help to solve them. China also hopes that Hong Kong investors will develop as much as possible in the industrial field and promote the normal prosperity of Hong Kong.

Maintaining Prosperity Is an Urgent Matter

The Beijing authorities held that the most important question in Hong Kong is maintaining prosperity. Recently, some graduates of the two universities and young social workers in Hong Kong went to Beijing and reflected a great many views. They held that there are many unreasonable and unfair things, such as the phenomenon of the wide gap between the rich and the poor in Hong Kong's social system, that must be reformed. Beijing's answer was that great care must be exercised in reform. The urgent matter for Hong Kong is maintaining prosperity, and undue emphasis must not be placed on reform.

Bringing Up Chinese Successors

The delegation learned from the Beijing authorities that the 14 years from now to 1997 constitute a transition period for Hong Kong. Beijing hopes that proper preparations can be made during this transition period, and believes that everything will be arranged and smoothly settled within this period. China hopes to gradually bring up successors during the transition period with the cooperation of the British, such as making arrangements for the setting up of a Chinese deputy governor and a Chinese deputy chief secretary. In this way, the Chinese will be able to smoothly take over in 1997, and the British will also retire to the second line as advisers. China has no intention of changing the status quo of Hong Kong before 1997. However, if disturbances should appear in society causing serious harm, the British will be held responsible. If the British should fail to live up to their commitments or resort to trickery, China will be forced to reconsider the formula and timetable for taking back Hong Kong. China has already informed Mrs Thatcher of this point. Even if changes are considered, Beijing will still adhere to the policy of maintaining Hong Kong's prosperity.

Both Sides Tacitly Agree To Maintain Secrecy in the Talks

The delegation also learned that China's consistent stand on the Hong Kong question is that Hong Kong originally was Chinese territory, and the present question was brought about by unequal treaties. China does not recognize the unequal treaties and will negotiate for a settlement through diplomatic channels at the appropriate opportunity. It was Britain who first proposed the talks. MacLehose brought up this question when he visited Beijing in March 1979. At that time China had reiterated her consistent stand regarding Hong Kong and promised to guarantee the interests of the investors. Afterward, official and unofficial public figures in Britain who visited China also brought up the Hong Kong question,

The British also pointed out that time is running out, and asked the Chinese Government for a clear stand on the Hong Kong question. Therefore, when Mrs Thatcher visited Beijing last September, the result was as stated in the joint communique: Both sides agreed to negotiations through diplomatic channels. At present, diplomatic talks are being carried out by both parties. Moreover, a tacit agreement has been reached that the contents of the talks will not be disclosed to facilitate the smooth continuation of the talks. The Chinese leaders have repeatedly pointed out that there will be "no discussion" of sovereignty. The main substance of the talks is how China and Britain will cooperate to guarantee Hong Kong's prosperity during the transition period.

Youde Can Only Represent the British Side

Regarding the talks on the question of Hong Kong's future, the Beijing authorities also clearly expressed that they cannot accept the so-called "three-legged stool" concept, because 98 percent of the inhabitants of Hong Kong are Chinese, Hong Kong is Chinese territory, and the Hong Kong question is the result of unequal treaties in history. Diplomatic talks can only be held between China and Britain, and the Hong Kong authorities cannot be a party to the talks. Youde cannot take part in the talks as a representative of the Hong Kong side; he can only participate as a representative of the British side. This is a matter of principle, and there also cannot be the slightest bit of ambiguity.

Beijing Is Willing To Listen to the Views of Hong Kong People

The Beijing authorities expressed that the Hong Kong compatriots are "our own people," and can at any time ask questions and reflect their view to Beijing through various channels. Beijing will be happy to study with the compatriots in Hong Kong on how to maintain Hong Kong's prosperity and improve its administration. According to the people interviewed, Beijing is very happy to listen to the valuable suggestions of the Hong Kong compatriots on maintaining prosperity and will give them serious consideration. Therefore, people of various circles in Hong Kong, including workers and students, can all actively express their views.

Economic Prospects in the Mainland Are Encouraging

When asked about their impression of the mainland, the people interviewed said that as a result of this visit, they feel that Communist China has been adopting an open-door policy since the 3d Plenary Session of the 11th CPC Central Committee, and moreover, it is also more flexible than before in dealing with problems. Based on the situation of present development, economic prospects are encouraging. They expressed the hope that China will continue to make economic achievements, for with the development of the economy there will be a basis for democratic rule by law. This will create more favorable conditions for solving the question of China's unification.

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